Chapter 4

Five-Year Financial Outlook

Executive Summary

The Five-Year Financial Outlook focuses on the County's four operating jurisdictions which rely on property tax support: the Countywide General Fund, the Unincorporated Municipal Service Area (UMSA), the Fire and Rescue Service District, and the Library System. In addition, the plan includes information related to certain proprietary operations such as Solid Waste Management, Water and Sewer, and Tourist Tax funds. Information included in the Financial Outlook is based on current levels of service and the underlying community priorities. Forecasts of revenues and expenditures are based on actual historical trends and known future funding commitments such as additional debt service obligations.

Overall, County government is in good fiscal condition and, assuming reasonable future financial and budgetary policy decisions, should remain so. Although revenue streams such as sales tax, revenue sharing, interest and tourist taxes are still being affected by the overall economic slowdown, we still believe that reductions in debt service obligations and the implementation of Article V legislation will have a mitigating effect on the overall fiscal outlook of the County. Furthermore, final tax growth for calendar years 2002 and 2003 showed an outstanding increase of 9.9 percent and 12.4 percent, respectively. It is assumed that the roll will grow by ten percent in FY 2003-04 and five percent thereafter. This growth equates to an average annual rate of 6.25 percent (historical average) for the next five years.

There are some areas of concern, however, that will have to be addressed in the years to come, such as: incorporation, large unfunded capital needs, and an extensive list of service needs not currently being met by our present levels of service. Also, in the past year, the County has been impacted by a series of unexpected events which when combined, have had a significant impact on the overall County's fiscal condition, such as increased costs for running elections, higher than budgeted jail inmate population, reduced availability of trust funds which have historically helped to mitigate police overtime and underperforming interest earnings. These events have brought general fund balances to historical lows. However, measures including aggressive savings plans and a hiring freeze have helped mitigate the adverse impact of these occurrences.

Careful analysis of each of the taxing jurisdictions under the authority of the Board of County Commissioners (BCC) indicate that in the next five years the County will continue to face a familiar conflicting scenario - how to provide increasing levels of service within a limited pool of available resources. This report includes a close look at the historical revenue and expenditure trends, planned service expansions, assumptions as to the impact of future state legislation, and a resulting financial forecast. Over the next five years, the gap between estimated revenues at flat millage rates and estimated expenditures is $360 million. This funding shortfall is comprised of shortfalls within UMSA, the Fire and Rescue District and the Library System between FY 2003-04 and FY 2007-08. The countywide area shows a shortfall in FY 2003-04 of $5.3 million but positive carryover thereafter. It is proposed as part of this plan that countywide available carryover be used for a new Capital Outlay Reserve Renewal and Replacement Fund to reduce current unmet needs as it relates to capital renovation and repairs, and equipment replacement. Alternative uses of the carryover could also include (but not be limited to) addressing various targeted operating unmet needs throughout the County other than capital renovations and equipment replacement and/or tax relief to county taxpayers. The Countywide Area fiscal outlook benefits in part as a result of the implementation of Article V legislation. Funding shortfalls can be managed through a strategy comprised of the following elements: pursuing additional revenues, continuing our aggressive campaign to realize operational efficiencies including a comprehensive prioritization assessment of the services we deliver within the scope of the goals and objectives dictated by the County's Strategic Plan. These strategies, however, will not systematically address all unmet needs identified by our departments.

Assumptions

Millage Rates

The Five-Year Outlook will assume that the existing operating millages for all four taxing jurisdictions will remain at the FY 2003-04 Adopted Budget levels for the next five years.

Tax Roll Growth

Tax roll is expected to grow at 10% in FY 2003-04 and 5% thereafter. This growth equates to an average annual rate of 6.25% (historical average) for the next five years.

Inflation

Inflation is expected to stay below three percent over the next five years.

Fiscal Year	Inflation Adjustment
2004	1.9 percent
2005	2.4 percent
2006	2.5 percent
2007	2.5 percent
2008	2.5 percent

Source: Congressional Budget Office

Incorporation

The Financial Outlook incorporates the fiscal impact of incorporation including the newly created City of Miami Gardens. One of the assumptions shaping the financial forecast for UMSA is that no municipal incorporations will occur in the next five years, or if any “donor” areas do incorporate, any adverse fiscal impact on UMSA will be substantially mitigated.

Service Levels

As part of the forecast exercise, it is assumed that current levels of service are maintained for the next five years except for additional facilities programmed to come on-line.

Police Costs

Police costs are forecast to grow at the same level as in the prior five years.

Transit Growth

Transit growth within the Countywide General Fund is fixed at the PTP’s required level of funding plus a 3.5 percent growth per year.

New Facilities

The Financial Outlook assumes that facilities that are underway will be operated at full capacity.

Carryover

A carryover fund balance goal of seven percent is assumed for UMSA, the Miami-Dade Library System, and the Miami-Dade Fire and Rescue Service District. For the countywide area a carryover fund balance goal of five percent, net of the Emergency Contingency Fund, is assumed.

One-Time Revenues

This Financial Outlook does not include the systemic use of one-time revenues for ongoing expenditures.

Salary Expense

For FY 2003-04, the Financial Outlook incorporates a four percent annual Cost of Living Adjustment (COLA) in July of 2004, a $25 bi-weekly supplemental pay for bargaining-unit employees and an average three percent merit increase. Through FY 2007-08, the Financial Outlook also includes an escalating retirement rate increase to historical levels, and annual COLA adjustments of three percent.

Health Care Costs

Health Care costs are expected to increase by $870 per employee in FY 2004-05, $864 in FY 2005-06, $876 in FY 2006-07, and $984 in FY 2007-08.

Unmet Needs

This Financial Outlook does not include an overall funding strategy to deal with the unmet operating needs of $107.54 million (recurring) and $250.907 million (non-recurring), and $4.8 billion of unmet capital needs. The proposed general obligation bond issue should address a significant portion of the capital unmet needs.

Contingency Reserve

For the next five years, it is assumed that the equivalent of 0.105 mills of countywide property taxes will be dedicated to establish an unappropriated Emergency Contingency Reserve to enhance the County's ability to respond to emergencies and to help strengthen the County's fiscal condition as it pertains to credit-rating agency reviews. This reserve is expected to generate over $100 million over the next eight years, assuming historical growth in the property assessment rolls. On September 17, 2003, the Board of County Commissioners adopted a budget for FY 2003-04 that includes the establishment of this reserve. As a part of our assumptions, it is expected that in subsequent years the Commission will adopt a similar strategy regarding the build up of this Emergency Contingency Reserve.

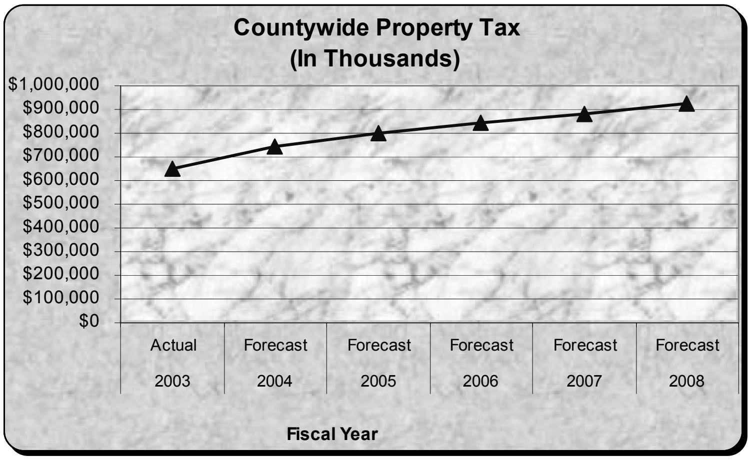
Capital Outlay Reserve Renewal and Replacement Fund (COR R&R)

As part of this Financial Outlook, a new COR R&R is recommended. This fund will capture excess countywide operating funds generated beyond the five percent carryover goal and net of the established Emergency Contingency Reserve. This reserve will be used to reduce current unmet needs as it relates to capital renovations and repairs and equipment replacement.

Revenue Forecast

COUNTYWIDE

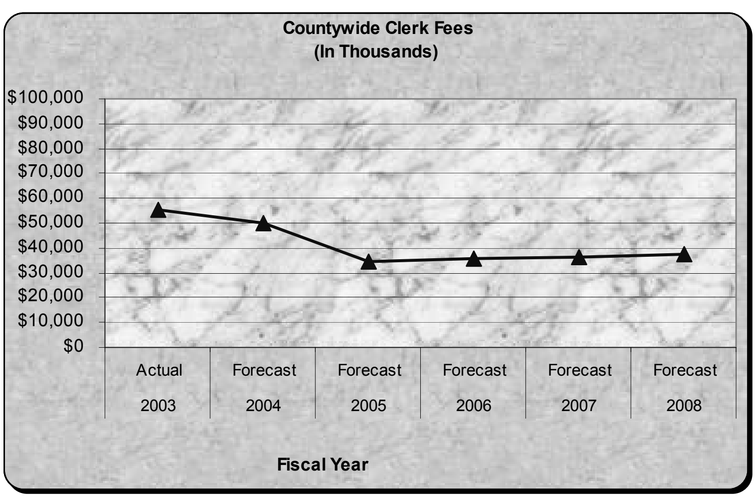
Property Taxes



Description: Tax is levied on all non-exempt real and personal property in the county. Property tax revenues are calculated by multiplying the taxing jurisdiction's tax roll (as certified by the Miami-Dade County Property Appraiser's Office) by the adopted millage for the fiscal year, as set by the BCC.

Growth: Tax roll expected to grow at 10% in FY 2003-04 and 5% thereafter. This growth equates to an average annual rate of 6.25% (historical average) for the next five years.

Clerk Fees

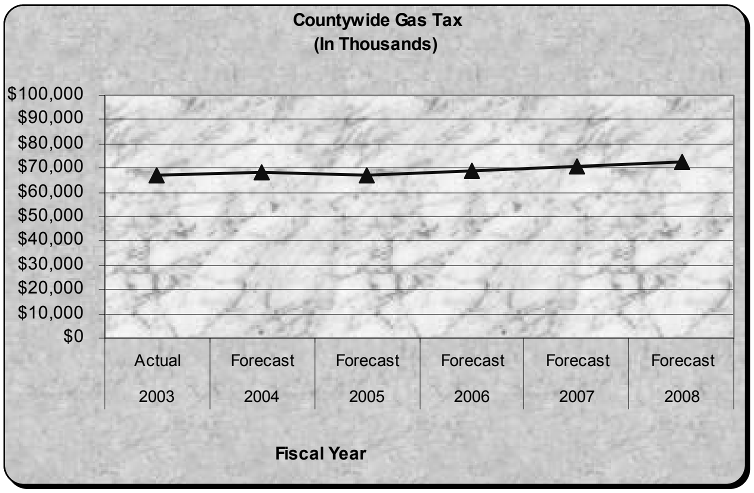


Description: Clerk fees include fines and forfeitures, traffic and criminal division penalties, revenue from marriage license fees, code enforcement penalties, parking violations, county recording, and service charges that help offset costs associated with support of the Clerk's Office and the court system.

Growth: Three percent per year.

Comments: Forecast includes impact of Article V legislation.

Gas Tax

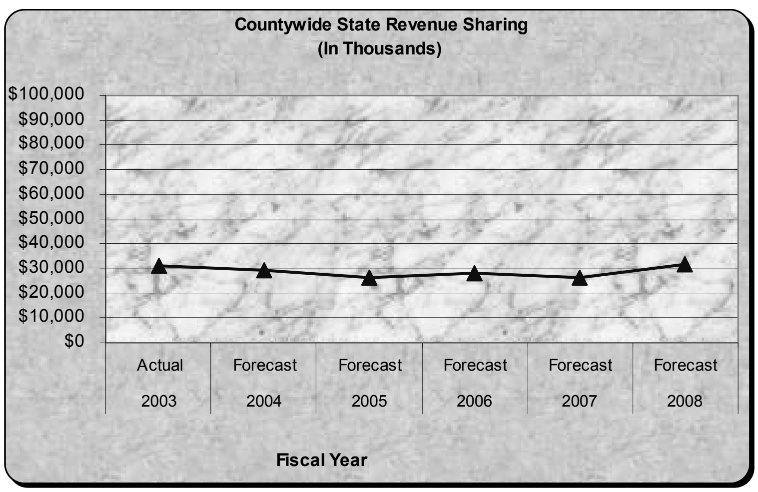


<u>Description:</u> Revenues comprised of the Constitutional Gas Tax, Local Option Gas Taxes, and County Gas Tax.

<u>Growth:</u> 2.8 percent per year.

<u>Comments:</u> Revenues include only Miami-Dade County's portion of total revenues.

State Revenue Sharing

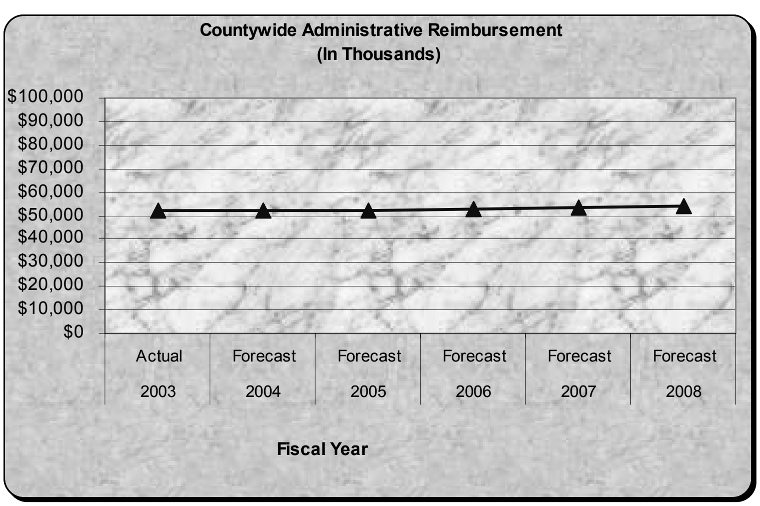


<u>Description:</u> At the State level, the County Revenue Sharing Trust fund is made of 2.9 percent of the net cigarette tax collections and 2.25 percent of state sales tax collections. Effective July, 2004, sales tax percentage is reduced to 2.044 based on new state legislation.

<u>Growth:</u> Five percent per year.

<u>Comments:</u> Net of Article V legislation impact and debt service adjustments.

Administrative Reimbursement

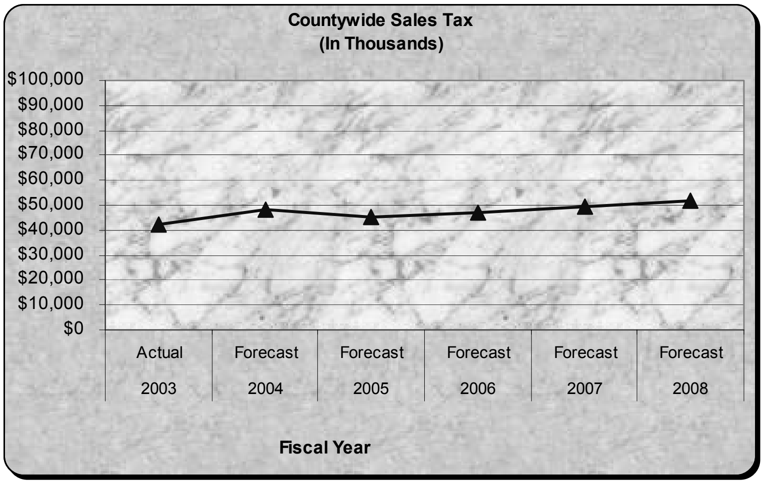


<u>Description:</u> Comprised of payments from proprietary operations towards County overhead.

<u>Growth:</u> One percent per year.

<u>Comments:</u> Includes Water and Sewer equity contribution to the Countywide General Fund.

Sales Tax

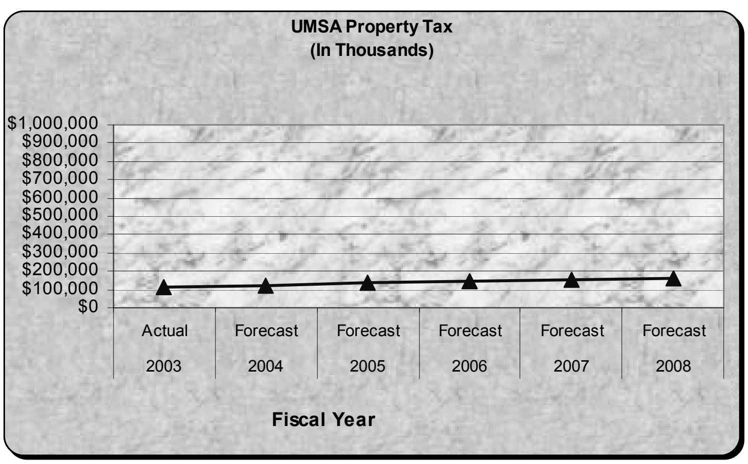


Description: The program consists of an ordinary distribution based on 9.653 percent of net sales tax revenues pursuant to F.S. 212.20 (6). Effective July, 2004, net sales tax percentage is reduced to 8.814 based on new state legislation. Allocation to municipalities and to the countywide and UMSA jurisdictions is based on formula established by state law.

Growth: Five percent per year.

Comments: Includes impact of Article V legislation and current incorporations.

UMSA

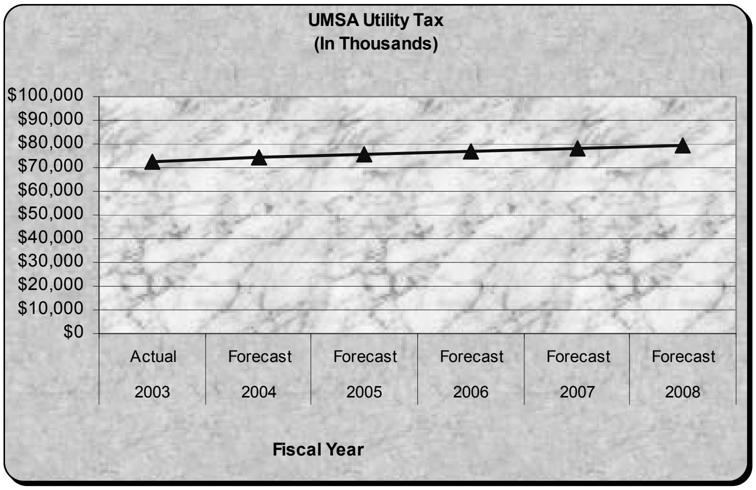


Property Taxes

Description: Tax is levied on all non-exempt real and personal property in the county. Property tax revenues are calculated by multiplying the taxing jurisdiction's tax roll (as certified by the Miami-Dade County Property Appraiser's Office) by the adopted millage for the fiscal year, as set by the BCC.

Growth: Tax roll expected to grow at 10% in FY 2003-04 and 5% thereafter. This growth equates to an average annual rate of 6.25% (historical average) for the next five years.

Utility Tax

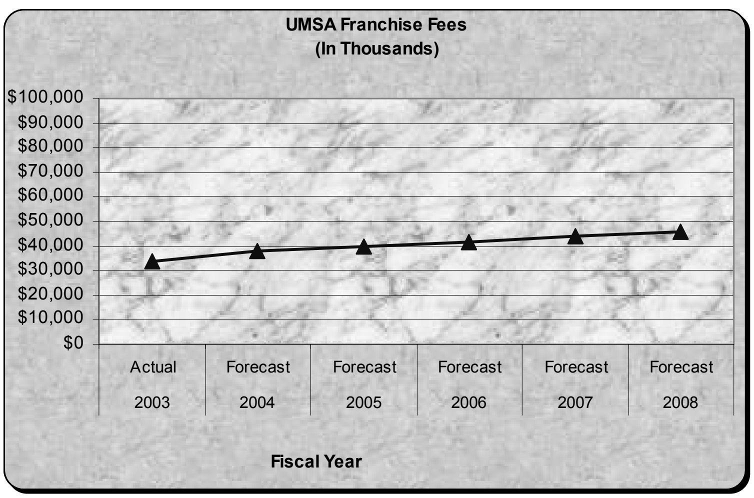


Description: Also known as Public Service Tax. Pursuant to F.S. 166.235, municipalities are authorized to levy by ordinance a Public Service Tax on the purchase of electricity, metered natural gas, liquefied petroleum and water service.

Growth: 1.5 percent per year.

Comments: Revenues are considered 100 percent UMSA.

Franchise Fees

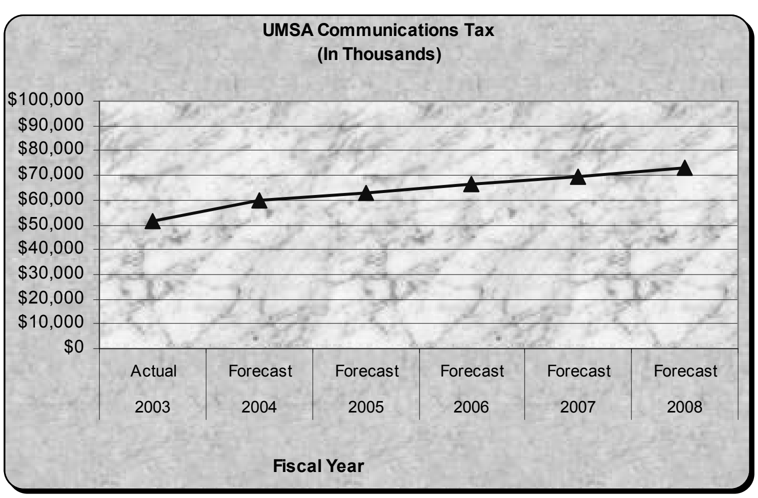


Description: Counties and municipalities may exercise this Home Rule authority to impose a fee upon a utility to grant a franchise for the privilege of using local governments' right-of-way.

Growth: Five percent per year.

Comments: Includes impact of incorporation including the new City of Miami Gardens.

Communications Tax

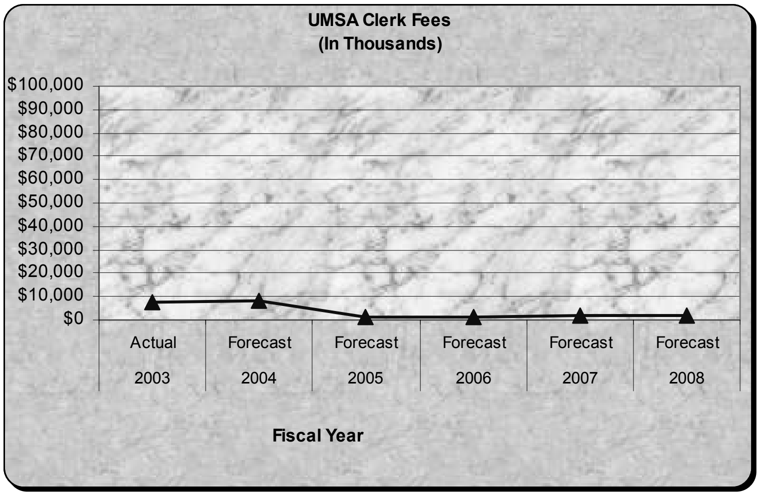


Description: Also known as the unified or simplified tax. Replaces utility tax on telephone and other telecommunication services, the cable television franchise fee, telecommunications franchise fee and communications permit fee.

Growth: Five percent per year.

Comments: Revenues are considered 100 percent UMSA.

Clerk Fees

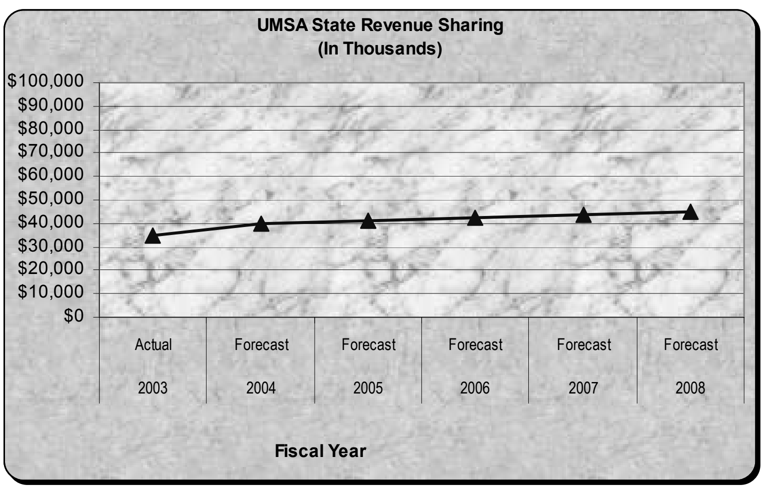


Description: Clerk fees include fines and forfeitures, and parking violations.

Growth: Three percent per year.

Comments: Includes impact of Article V legislation.

State Revenue Sharing

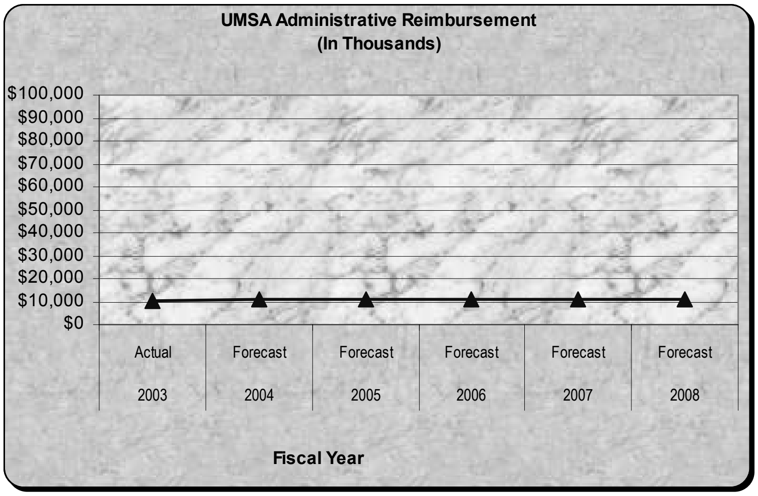


Description: At the State level, the Municipal Revenue Sharing Trust Fund is made up of 1.0715 percent of sales and use tax collections, net collections of the one-cent municipal fuel tax, and 12.5 percent of decal fee collections. Effective July 1, 2004 the sales and use tax percentage is increased to 1.3409 percent based on new state legislation.

Growth: Three percent per year.

Comments: Includes impact of Article V legislation.

Administrative Reimbursement

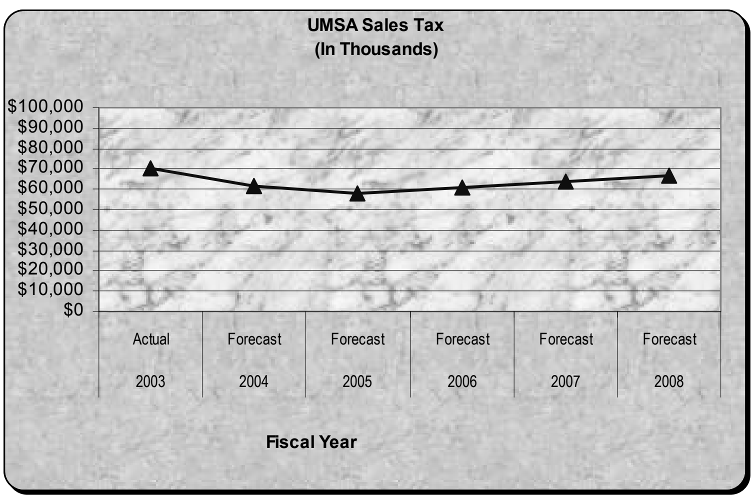


Description: Comprised of payments from proprietary operations towards County overhead.

Growth: One percent per year.

Comments: Does not include revenues from the Water and Sewer equity return contribution to the County.

Sales Tax



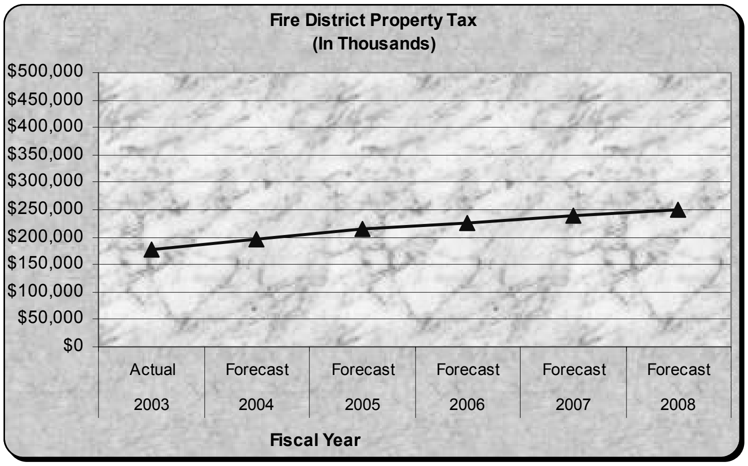
Description: The program consists of an ordinary distribution based on 9.653 percent of net sales tax revenues pursuant to F.S. 212.20 (6). Effective July, 2004, net sales tax percentage is reduced to 8.814 based on new state legislation. Allocation to municipalities and to the countywide and UMSA jurisdictions is based on formula established by state law.

Growth: Five percent per year.

Comments: Includes impact of Article V legislation.

FIRE DISTRICT

Property Taxes



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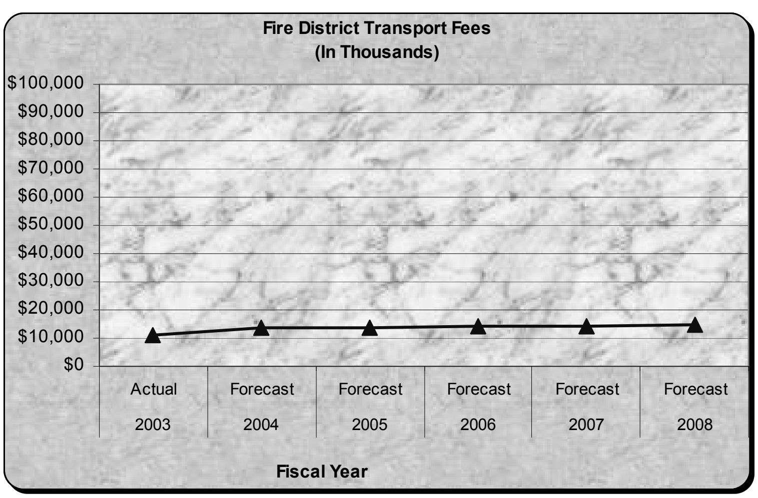
Growth: Tax roll expected to grow at 10% in FY 2003-04 and 5% thereafter. This growth equates to an average annual rate of 6.25% (historical average) for the next five years.

Comments: Component of the state-defined ten mill County operating cap.

Transport Fees

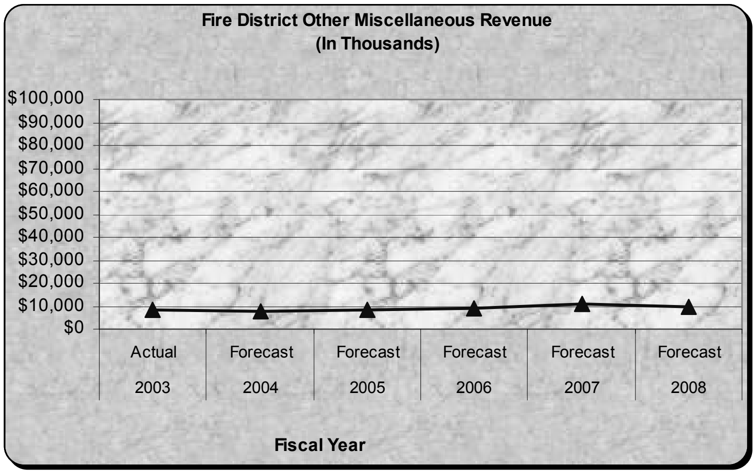


Description: Fees charged to individuals transported by fire rescue units.

Growth: Two percent per year.

Comments: Includes impact of revised rate schedule approved by the Board of County Commissioners in July, 2003.

Other Miscellaneous

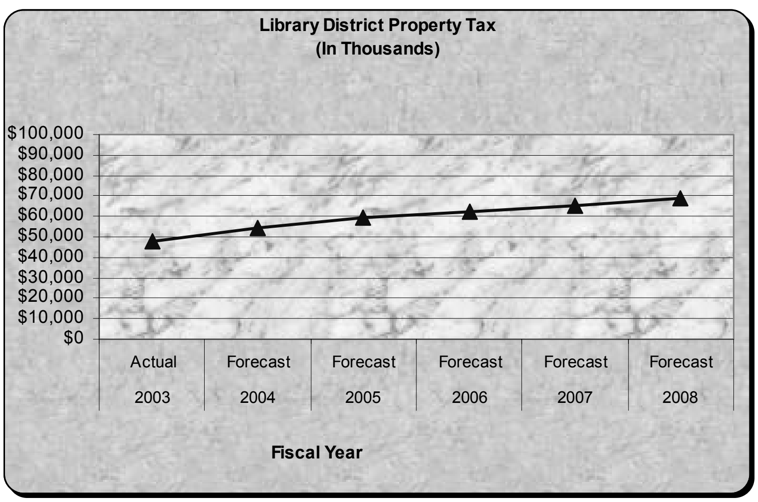


Description: Includes plans reviews and inspection service charges.

Growth: Between 5.9 and 8.1 percent.

LIBRARY DISTRICT

Property Taxes



Description: Tax is levied on all non-exempt real and personal property in the county. Property tax revenues are calculated by multiplying the taxing jurisdiction's tax roll (as certified by the Miami-Dade County Property Appraiser's Office) by the adopted millage for the fiscal year, as set by the BCC.

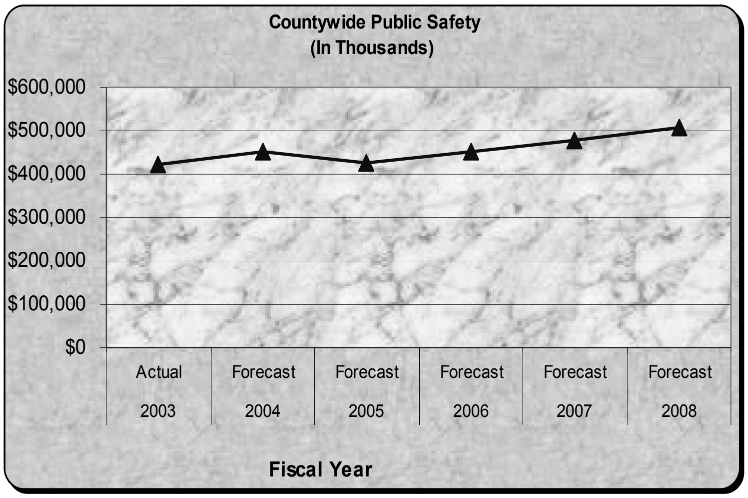
Growth: Tax roll expected to grow at 10% in FY 2003-04 and 5% thereafter. This growth equates to an average annual rate of 6.25% (historical average) for the next five years.

Comments: Part of the state-defined ten mill County operating cap.

Expenditure Forecast

COUNTYWIDE

Public Safety

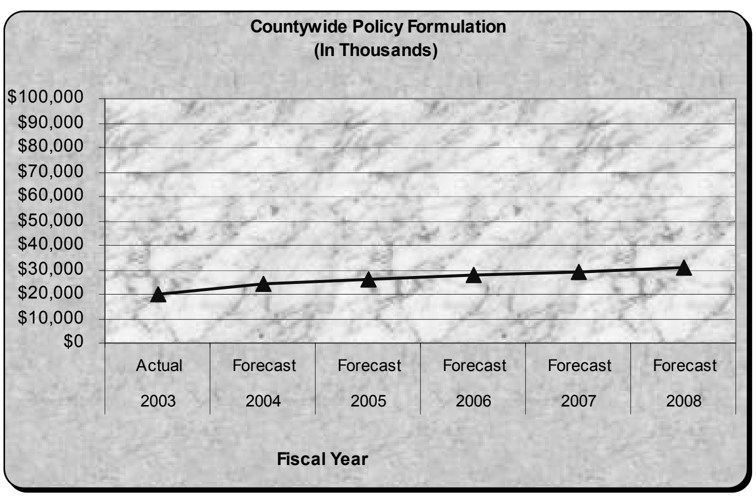


Description: Consists of Police, Juvenile Assessment Center, Courts, Clerk, Independent Review Panel, Corrections, Fire Rescue / Office of Emergency Management, and Medical Examiner.

Growth: Between -5.6 and 6.5 percent.

Comments: The negative growth reflects court-related expenditure reductions, which will occur in FY 2004-05.

Policy Formulation

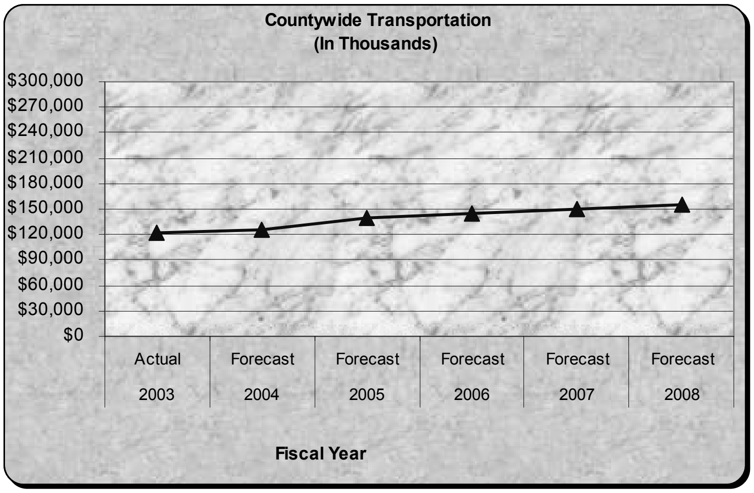


Description: Consists of the Office of the Mayor, Board of County Commissioners, County Attorney's Office, County Manager's Office, Agenda Coordination, Office of Strategic Business Management, and Dade Delegation.

Growth: Between 5.5 and 7.8 percent.

Comments: Expenditure growth dictated by county's inflationary rate.

Transportation

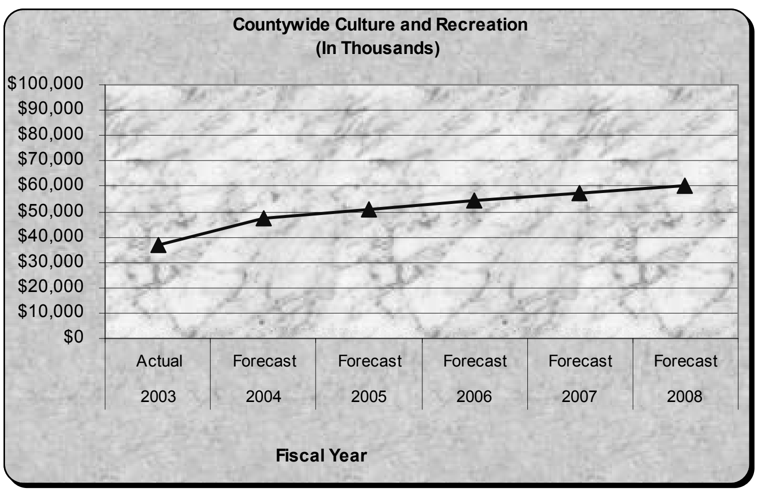


Description: Consists of Public Works and Miami-Dade Transit.

Growth: Between 3.7 and 11.8 percent.

Comments: Growth affected by reductions in secondary gas tax capitalization, transit maintenance of effort (MOE) 3.5 percent per year proposed rate increase, and the county's inflationary rate.

Culture and Recreation

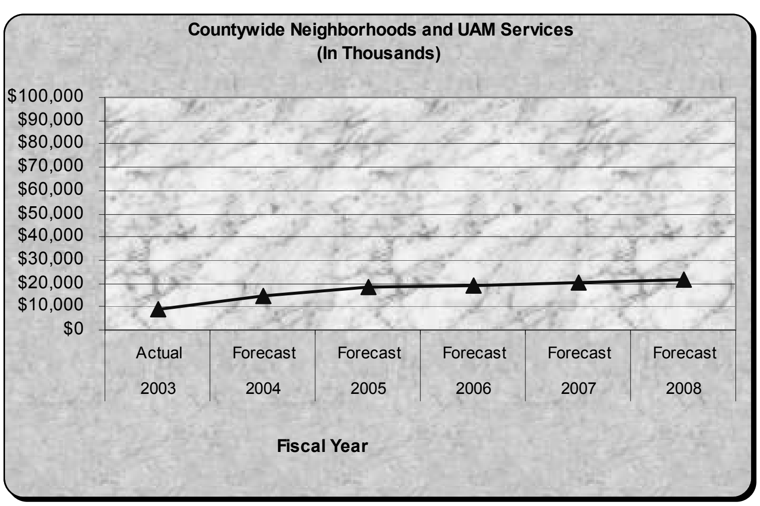


Description: Consists of Park and Recreation, and the Department of Cultural Affairs.

Growth: Between 5.2 and 7.4 percent.

Comments: Growth dictated by the county's inflationary rate.

Neighborhood and Unincorporated Area Municipal (UAM) Services

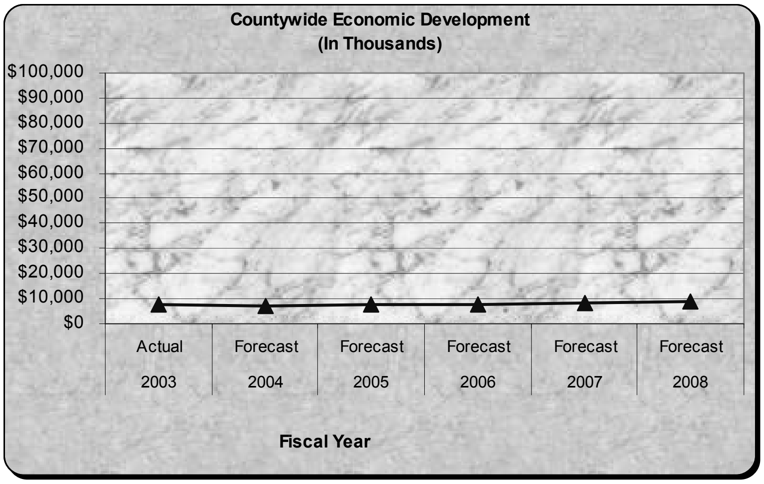


Description: Consists of Planning and Zoning, Public Works, and Team Metro.

Growth: Between 5.2 and 22.7 percent.

Comments: Growth affected by reduction in secondary gas tax capitalization and the county's inflationary rate.

Economic Development

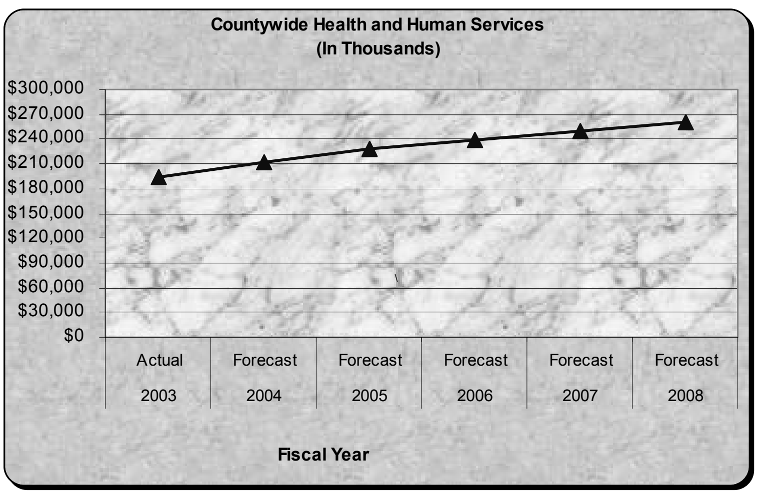


Description: Consists of the Office of Community and Economic Development / Empowerment Zone, Consumer Services, International Trade Consortium, Metro-Miami Action Plan, and Urban Economic Revitalization Task Force.

Growth: Between 5.5 and 7.8 percent.

Comments: Growth dictated by the county's inflationary rate.

Health and Human Services

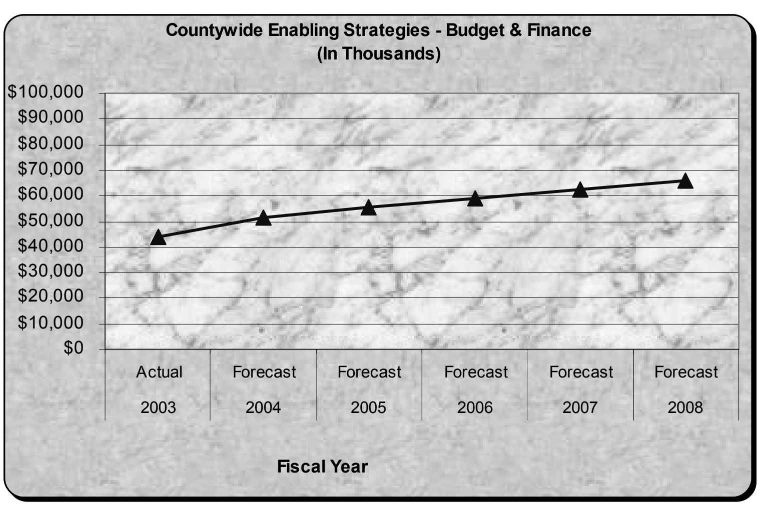


Description: Consists of the Public Health Trust (PHT), Human Services, Community Action Agency, Countywide Health Planning, and Community Relations.

Growth: Between 4.3 and 7.2 percent.

Comments: Growth affected by PHT MOE and the county's inflationary rate.

Enabling Strategies – Budget and Finance

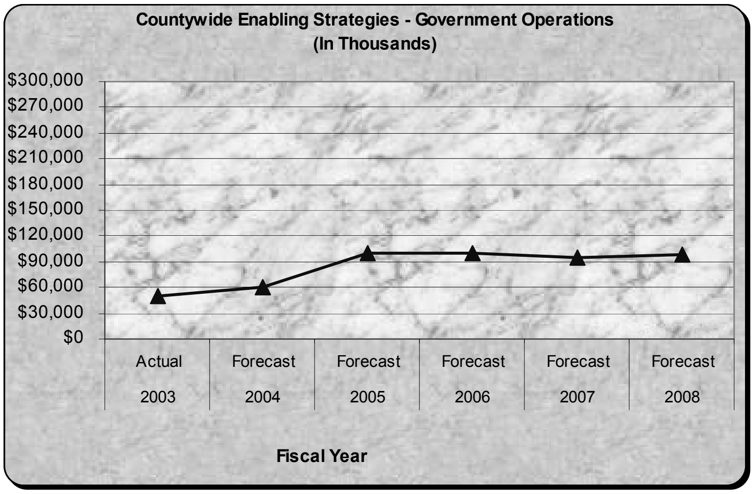


Description: Consists of Audit and Management Services, Business Development, Employee Relations, Fair Employment Practices, Office of Strategic Business Management, Procurement, and Property Appraisal.

Growth: Between 5.5 and 7.8 percent.

Comments: Growth dictated by the county's inflationary rate.

Enabling Strategies – Government Operations

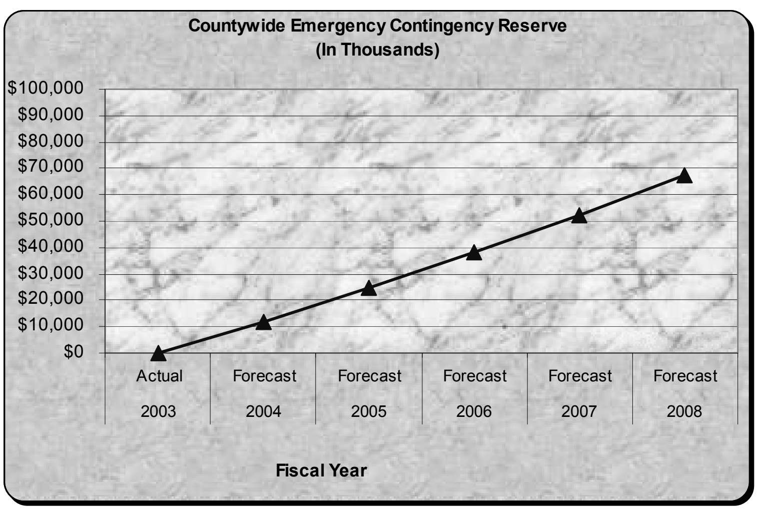


Description: Consists of the Chief Information Officer, Communications, Enterprise Technology Services Department, Elections, Ethics / Inspector General, and General Services Administration.

Growth: Between 5.1 and 68.5 percent.

Comments: Growth affected by elections cycle, the county's inflationary rate, and the new COR R&R transfer.

Emergency Contingency Reserve

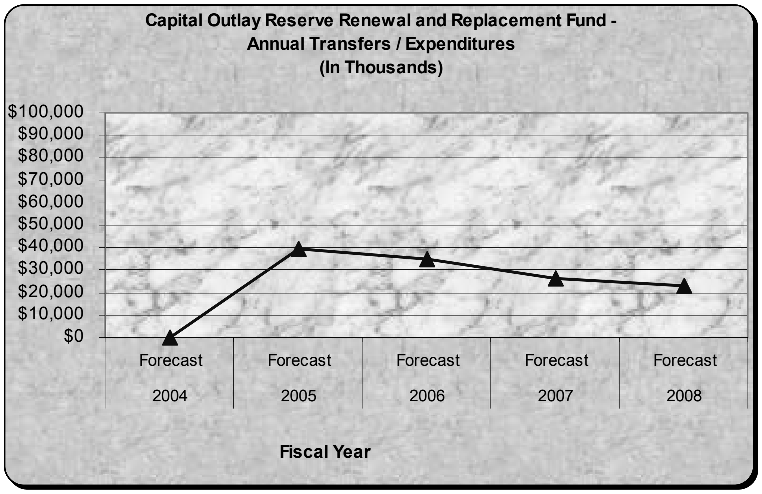


Description: Emergency reserve created for to enhance the County's ability to respond to emergencies and to help strengthen the County's fiscal condition as it pertains to credit-rating agency reviews from a transfer of revenues equivalent to 0.105 mills in the countywide area.

Growth: Equivalent to 0.105 mills in the countywide area.

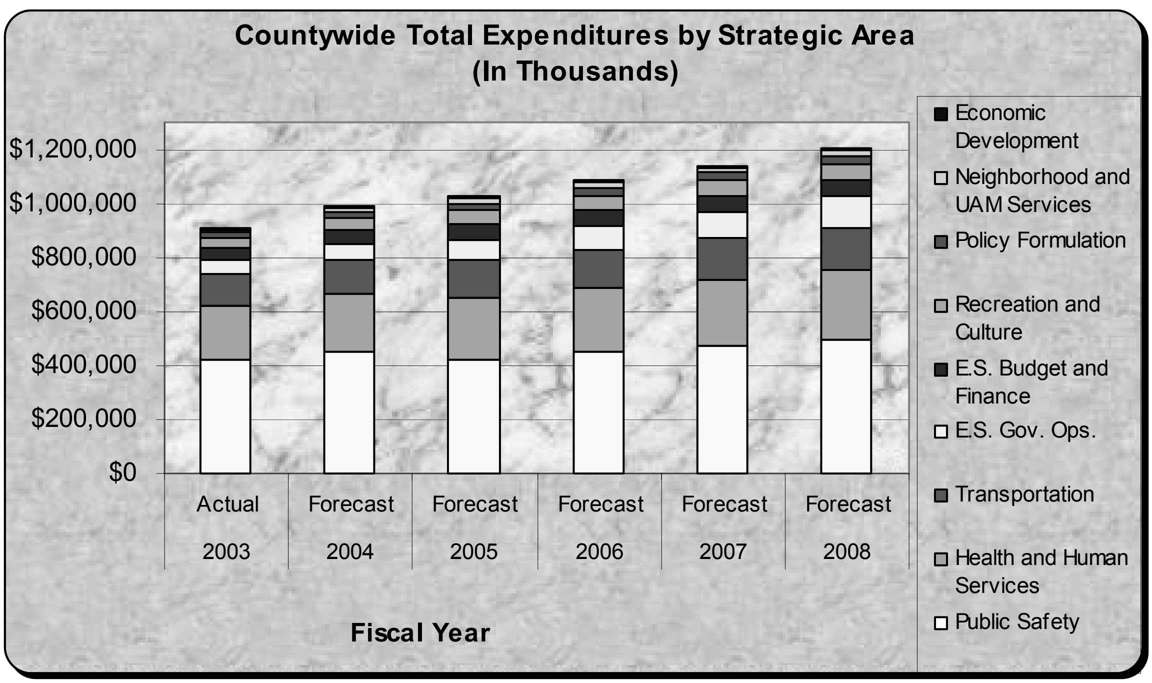
Comments: Plan assumes that BCC will adopt current strategy through FY 2007-08.

Capital Outlay Reserve Renewal and Replacement Fund



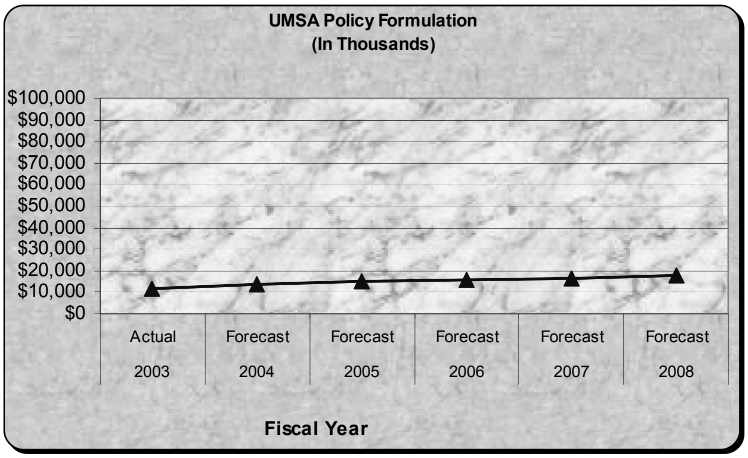
Description: This fund will capture excess countywide operating funds generated beyond the five percent carryover goal and net of the established Emergency Contingency Reserve. It is recommended that this reserve be used to reduce current unmet needs as it relates to capital renovations and repairs and equipment replacement.

Total Countywide Expenditures by Strategic Area



UMSA

Policy Formulation

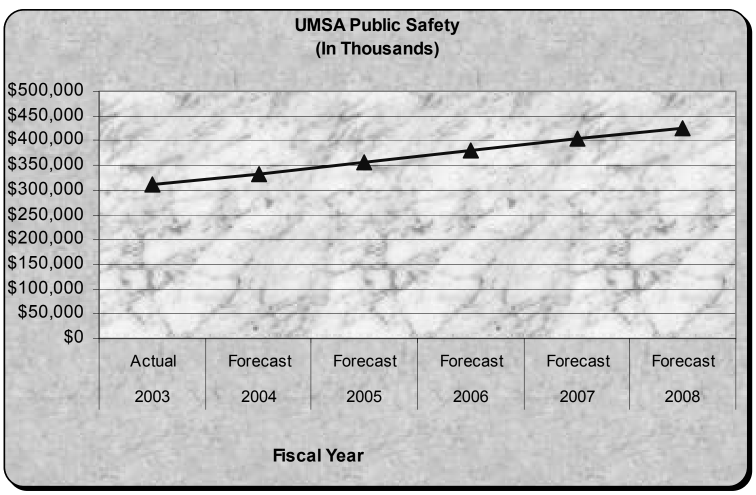


Description: Consists of the Office of the Mayor, Board of County Commissioners, County Attorney's Office, County Manager's Office, Agenda Coordination, Office of Strategic Business Management, and Dade Delegation.

Growth: Between 5.5 and 7.8 percent.

Comments: Growth dictated by the county's inflationary rate.

Public Safety

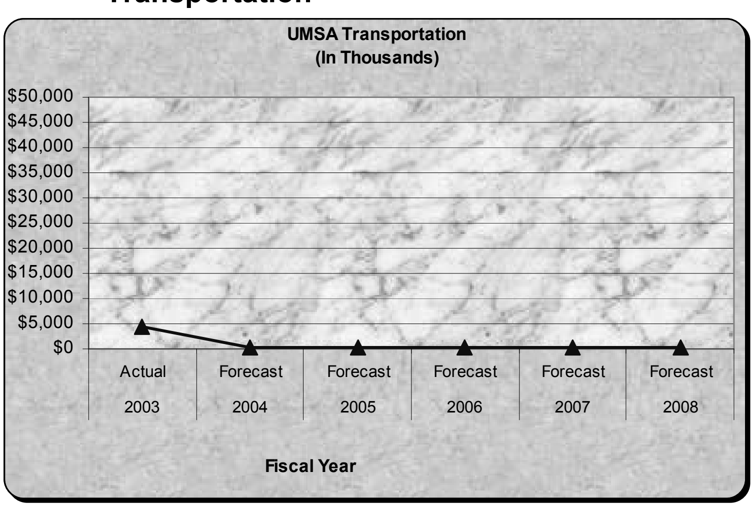


Description: Consists of Police, Juvenile Assessment Center, Courts, Clerk, Independent Review Panel, Corrections, Fire Rescue / Office of Emergency Management, and Medical Examiner.

Growth: Between 5.5 and 7.8 percent.

Comments: Growth dictated by the county's inflationary rate.

Transportation

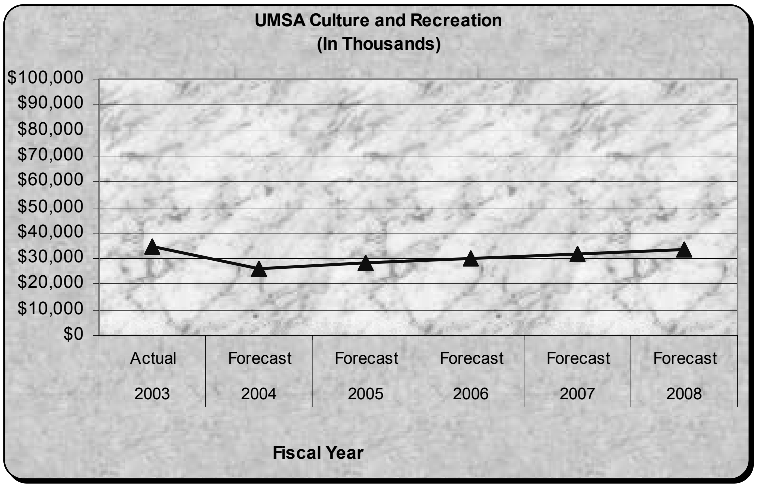


Description: Consists of Public Works and Miami-Dade Transit.

Growth: Between 5.5 and 7.8 percent.

Comments: Growth dictated by the county's inflationary rate.

Culture and Recreation

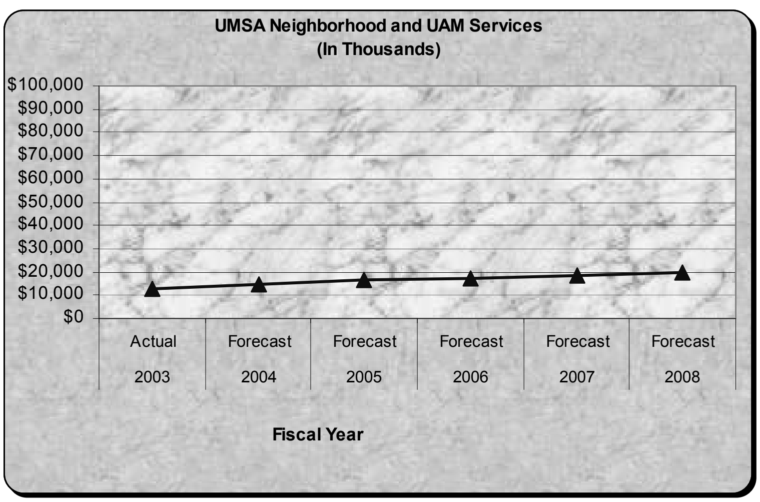


Description: Consists of Park and Recreation, and the Department of Cultural Affairs.

Growth: Between 5.5 and 7.8 percent.

Comments: Growth dictated by the county's inflationary rate.

Neighborhood and UAM Services

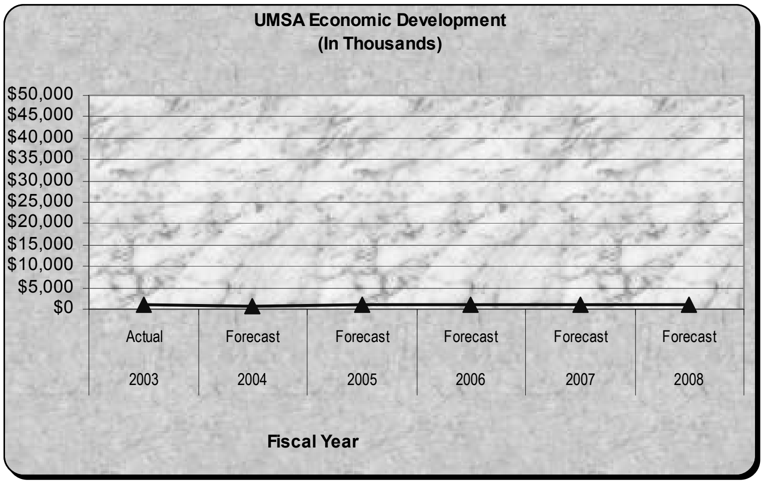


Description: Consists of Planning and Zoning, Public Works, and Team Metro.

Growth: Between 5.5 and 11.7 percent.

Comments: Growth affected by the reduction in secondary gas tax capitalization.

Economic Development

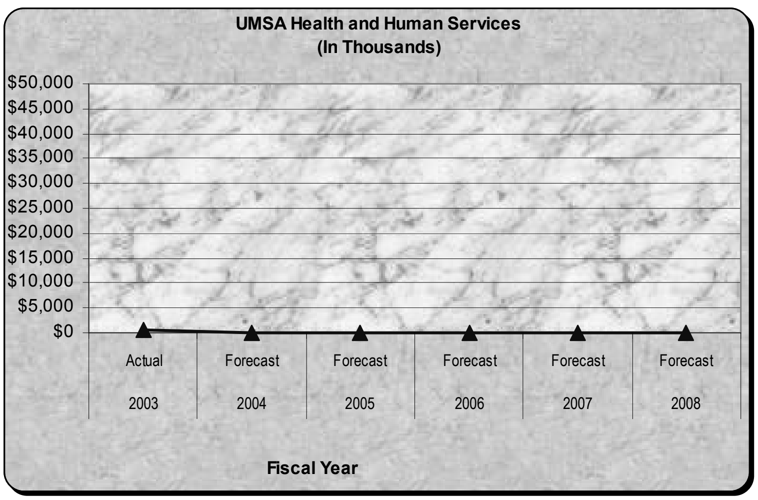


Description: Consists of the Office of Community and Economic Development / Empowerment Zone, Consumer Services, International Trade Consortium, Metro-Miami Action Plan, and Urban Economic Revitalization Task Force.

Growth: Between 5.5 and 7.8 percent.

Comments: Growth dictated by the county's inflationary rate.

Health and Human Services

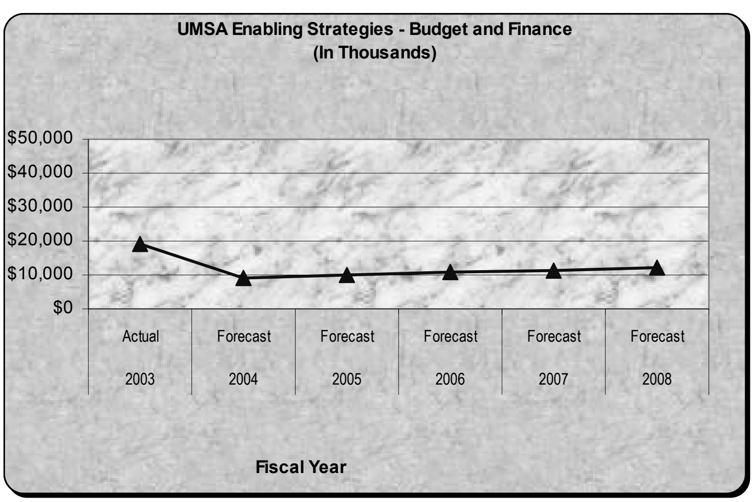


Description: Consists of the Public Health Trust (PHT), Human Services, Community Action Agency, Countywide Health Planning, and Community Relations.

Growth: Between 5.5 and 7.8 percent.

Comments: Growth dictated by the county's inflationary rate.

Enabling Strategies – Budget and Finance

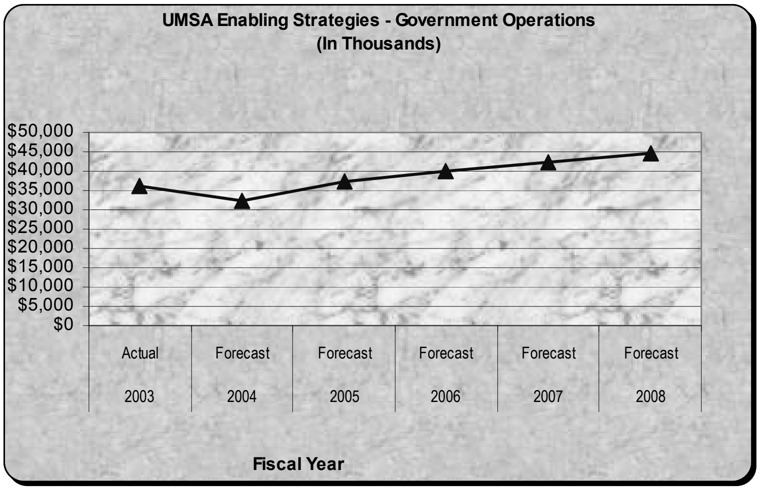


Description: Consists of Audit and Management Services, Business Development, Employee Relations, Fair Employment Practices, Office of Strategic Business Management, Procurement, and Property Appraisal.

Growth: Between 5.5 and 7.8 percent.

Comments: Growth dictated by the county's inflationary rate.

Enabling Strategies – Government Operations

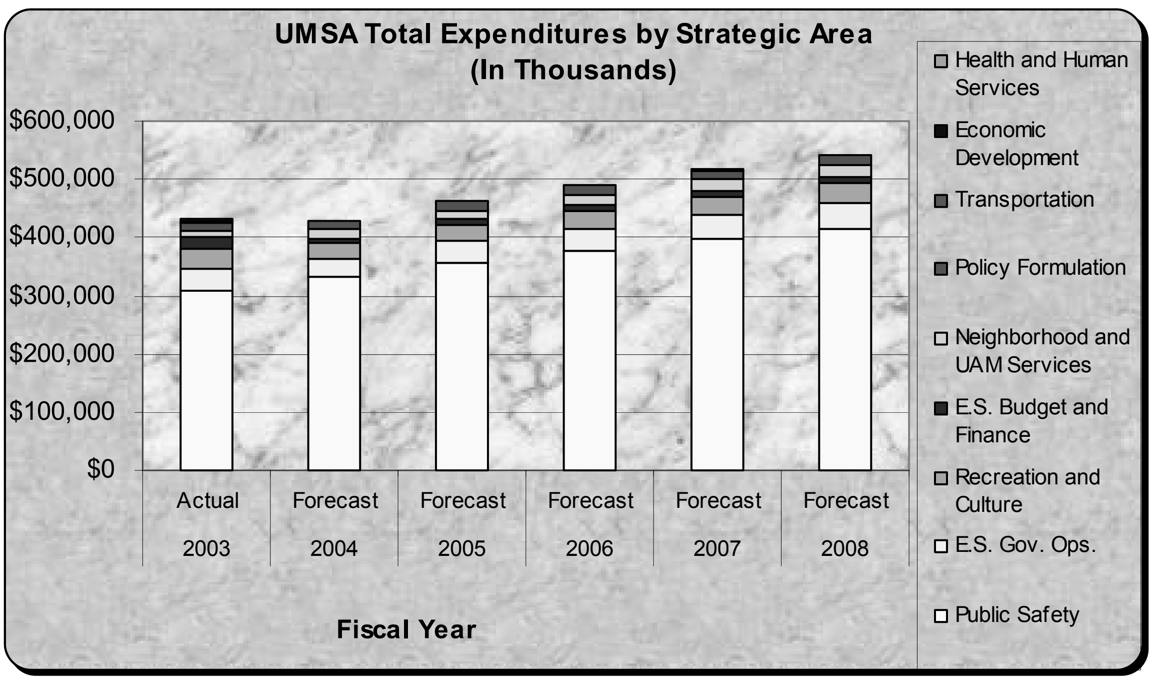


Description: Consists of the Chief Information Officer, Communications, Enterprise Technology Services Department, Elections, Ethics / Inspector General, and General Services Administration.

Growth: Between 5.5 and 15.5 percent.

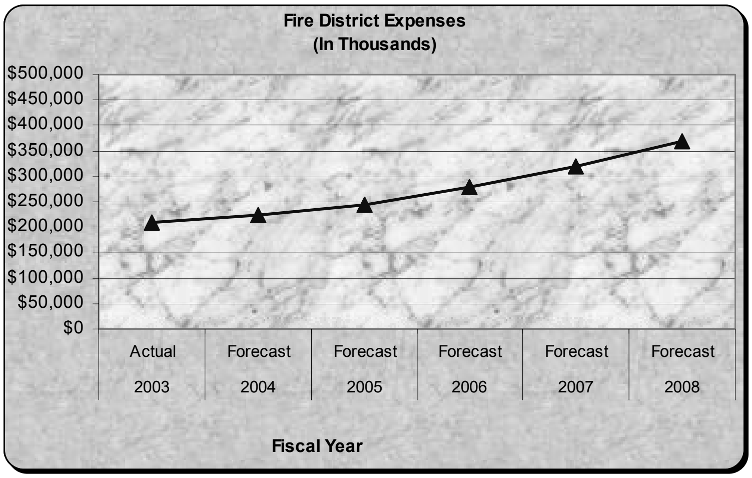
Comments: Growth affected by new QNIP IV debt service and the county's inflationary rate.

Total UMSA Expenditures by Strategic Area



FIRE DISTRICT

Expenses

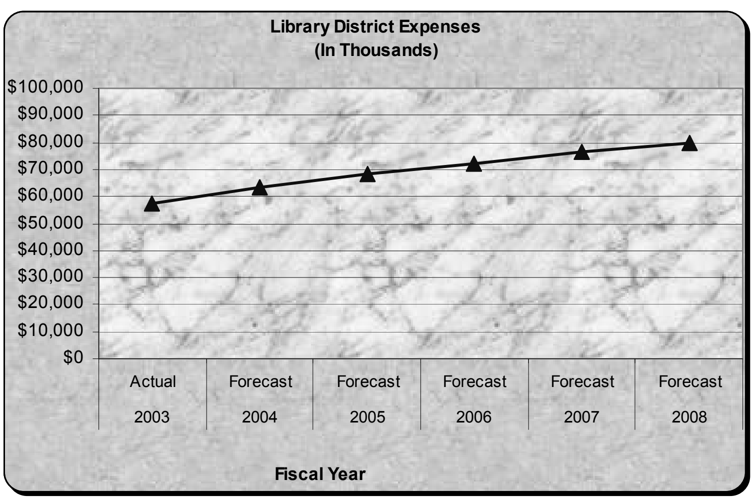


Growth: Between 8.5 and 15 percent.

Comments: Growth affected by the county's inflationary rate and the addition of new five rescue stations.

LIBRARY DISTRICT

Expenses

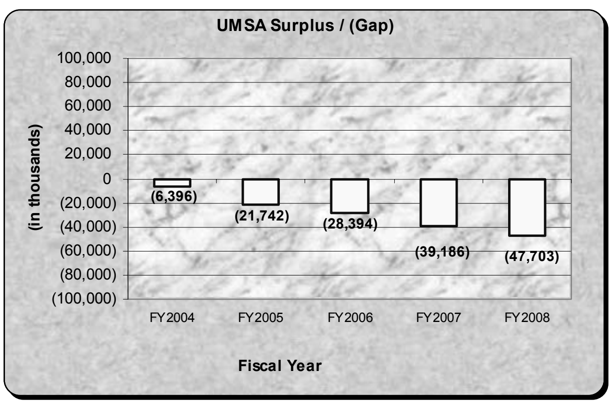


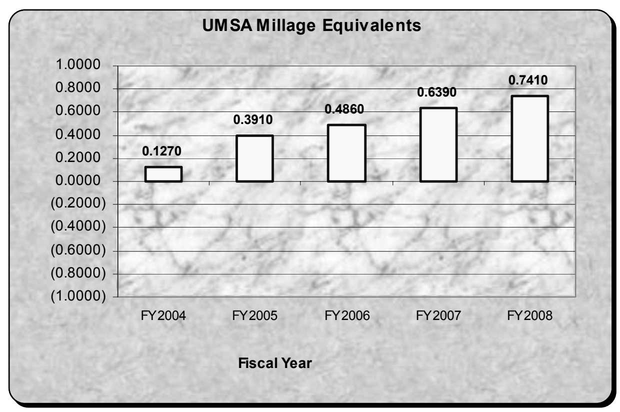
Growth: Between 5.1 and 8 percent.

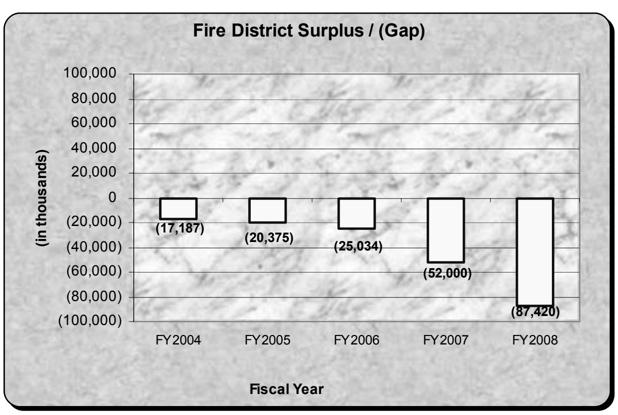
Comments: Growth affected by the county's inflationary rate and transfer to capital and service improvement fund.

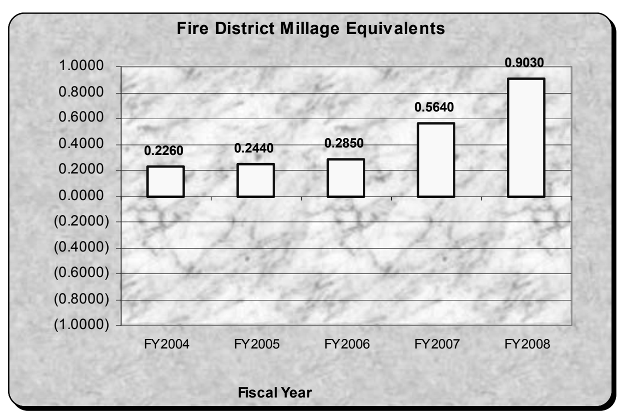
Revenue / Expenditure Reconciliation – Equivalent Millage to Address Gap Funding

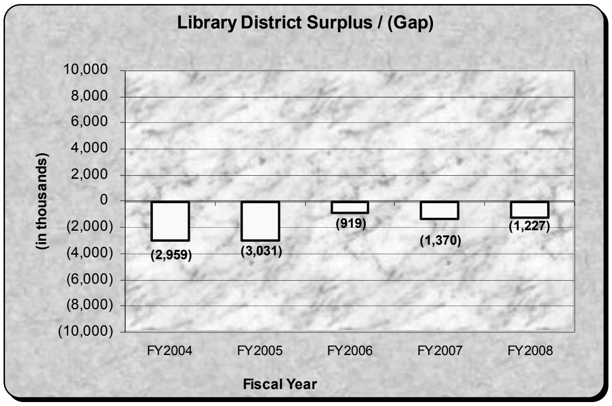
The reconciliation of revenues and expenses for the taxing jurisdictions are presented graphically below. The “Revenue/Expense Challenge” for the fiscal year represents the amounts to be identified through revenue increases and operational efficiencies, including a comprehensive prioritization assessment of the services we deliver within the scope of the goals and objectives dictated by the County’s Strategic Plan to meet current and planned service levels. For the benefit of the reader, we are also including a graph with the millage level equivalent needed to address the funding gap in each year. It is important to note that these millage increases are not cumulative. As the “Revenue/Expense Challenge” is addressed each year to balance the budget, as required by State law, there will be a significant positive effect on the “Revenue/Expense Challenge” level for the following year. As noted previously, due to strong tax roll growth and implementation of Article V legislation, the Countywide area generates positive carryover which could be used for a new Capital Outlay Reserve Renewal and Replacement Fund. However, that projection is dependent on final legislation implementing Article V changes. The County will need to monitor the legislative process closely to ensure that projected savings are realized.

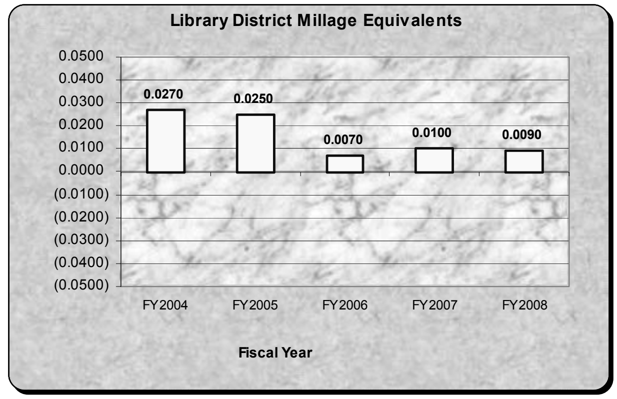









Library District Surplus / (Gap)
10,000
8,000
6,000
4,000
2,000
0
(2,000)
(4,000)
(6,000)
(8,000)
(10,000)
(in thousands)
(2,959)
(3,031)
(919)
(1,370)
(1,227)
FY2004
FY2005
FY2006
FY2007
FY2008
Fiscal Year


Library District Millage Equivalents
0.0500
0.0400
0.0300
0.0200
0.0100
0.0000
(0.0100)
(0.0200)
(0.0300)
(0.0400)
(0.0500)
0.0270
0.0250
0.0070
0.0100
0.0090
FY2004
FY2005
FY2006
FY2007
FY2008
Fiscal Year

Capital Plan

As we lay out our five-year operating needs, we must also plan for our capital infrastructure requirements needed to support the services demanded by our taxpayers and the community in general. This chapter summarizes the County's current funded capital plan, describes the County's unmet capital infrastructure needs, and presents to the reader our current long-term capital plan funding strategies.

Capital Budget and Multi-Year Capital Plan

The Capital Budget and Multi-Year Capital Plan is prepared pursuant to State growth management legislation and the Miami-Dade County Code. Preparation of this document occurs simultaneously with the annual Operating Budget. It is used as the basis for updating the Capital Improvement Element of the Comprehensive Development Master Plan, the Five-Year Transportation Improvement Plan, and the County's other major capital planning documents.

The Capital Budget and Multi-Year Capital Plan outlines revenues and expenditures for current and new capital projects necessary to maintain, improve, and expand public facilities and infrastructure to meet service demands of residents and visitors of Miami-Dade County. The Capital Budget is comprised of six strategic areas: Public Safety, Transportation, Recreation and Culture, Neighborhood and Unincorporated Area Municipal Services, Health And Human Services, and Enabling Strategies - Government Operations.

The spending plan as outlined in the Five-Year Capital Budget and Multi-Year Capital Plan from FY 2003-04 through FY 2008-09 for capital projects totals $15.174 billion, including $9.493 billion for transportation improvements and $727 million for culture and recreation improvements. The FY 2003-04 Capital Budget totals $2.212 billion, including $552 million for Neighborhood and Unincorporated Area Municipal Services improvements and $145 million in Health and Human Services improvements. Revenue sources to fund these projects include federal and state grants, financing proceeds, interest earnings, licensing fees, County proprietary operations, including department operating funds, interest earnings, gas taxes, licensing fees, and general fund support.

Included in the five year spending plan are the People's Transportation Plan improvements, major improvements to Miami International Airport, upgrade of water and sewer facilities, construction of new fire rescue stations, construction of a new Performing Arts Center and the South Miami-Dade Cultural Center, road widening projects, community and economic development projects, including infrastructure improvements, facilities for the homeless, historic preservation, human services facilities, neighborhood service center improvements, park improvements, and retrofits to existing facilities to provide access to people with disabilities.

Countywide Capital Unmet Needs and General Obligation Bond (GOB) Initiative

As part of the capital budget process, departments are asked to identify and quantify unmet capital needs required to maintain and/or enhance the level of services currently provided to our community. Unmet needs as identified by County departments for FY 2003-04 total approximately $4.8 billion.

In order to address the unmet needs proactively, the Board of County Commissioners has approved a resolution instructing the Manager to prepare a GOB program to be presented for voter approval in November, 2004.

A GOB program will allow the County to continue to invest needed money into our community, generate jobs, and stimulate our local economy. The last major GOB initiative was the Decade of Progress Program, which occurred nearly thirty years ago. This was a $553 million program, approved by the voters in 1972 that included sanitary sewer improvements, solid waste disposal facilities, transportation system improvements, including Metrorail, health care facilities, library system improvements, recreation and cultural facilities, street and safety improvements, and Metrozoo. The other GOB initiatives since 1972 have been the Criminal Justice Facilities Program in 1982 for $200 million, Fire and Rescue stations and related facilities, approved in 1994 for $59 million, and the Safe Neighborhood Parks Program for $200 million, approved by the voters in 1996.

It is clear that since the Decade of Progress Program, our infrastructure has aged significantly and the demands for services have increased, requiring the need for a new capital program. Based on an analysis of current debt service obligations and debt to be retired in the future, and assuming that the current debt service millage and the emergency reserve millage will not exceed a combined 0.390 mills, we estimate $1.4 to $1.6 billion in present value can be generated to address some of our unmet needs. This present value equates to a nominal bond authorization of $2 billion.

Numerous town hall meetings and various community forums will be utilized to prepare the list of potential projects to be included in this proposed GOB program.

County's Credit Rating

Issuing debt commits government's revenues several years into the future and may limit the government's flexibility to respond to changing service priorities, revenue changes, or cost increases. Adherence to a debt policy helps ensure that debt is issued and managed prudently in order to maintain a sound fiscal position and protect credit quality.

The County currently has a very strong credit quality. The ratings for general obligation and general fund related debt issuances are as follows:

Credit Rating

Category	Moody's rating
General Obligation Bonds (GOB)	Aa3
Fire Rescue GOB	Aa3
Sales Tax Senior Lien	A1
Public Service Tax	A1
Courthouse Center	A2
Juvenile Courthouse	A3

However, rating agencies have raised a concern regarding the level of reserves and projected carryover. We are taking actions to address these concerns. Foremost among these actions is the establishment of the Emergency Contingency Reserve.

Capital Financing

Planned debt issuances over the next five years include:

Planned Property Tax Supported Debt Issuances

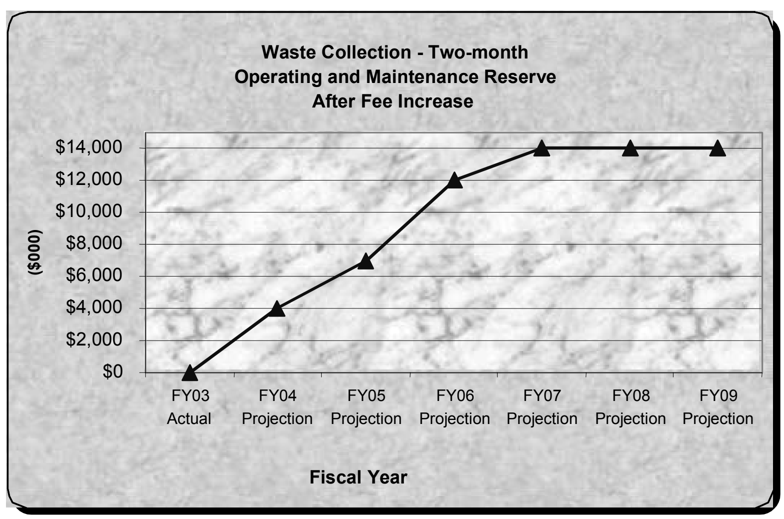
Safe Neighborhood Parks	
FY 2004	$20,000,000
FY 2005	$20,000,000
FY 2006	$18,530,000

Proprietary Departments

County operations include the services provided by proprietary departments, such as Solid Waste Management, Water and Sewer, Seaport, Aviation, and others. These departments operate with revenues other than the general fund. In order to assess the impact of future fees and charges, well-established strategic and financial plans have become the rule rather than the exception within their industry. As this Five-Year Financial Outlook matures, other departmental plans will be added and discussed within this chapter.

Department of Solid Waste Management

The Department of Solid Waste Management preliminary five-year projection generally indicates stability in the Collections Fund as a result of the FY 2003-04 household fee increase. As intended, the Collections Fund will gradually rebuild its two-month operating and maintenance reserve requirement to a level of $14 million by FY 06-07. These results assume an implementation of automated garbage collections with a net savings of at least $5.5 million recurring over the period together with an assumed rate of increase of four percent due to operational efficiencies. Historically, costs have risen on an average annual basis of six percent. Revenue growth in Collections is assumed to remain in the two percent range annually.



Preliminary Disposal Fund results indicate that while the burden of carrying the Collections Fund two-month operating and maintenance reserve requirement is gradually removed over the period, disposal revenues will meet operating costs and currently budgeted capital requirements with pressure to use restricted reserves (two–month operating and maintenance reserve) by FY 2007-08. Once again, revenues are assumed to grow at a steady two percent annual rate and operating costs are assumed to remain in the growth rate of four percent per year. It is assumed that no additional environmental regulations having an impact on the

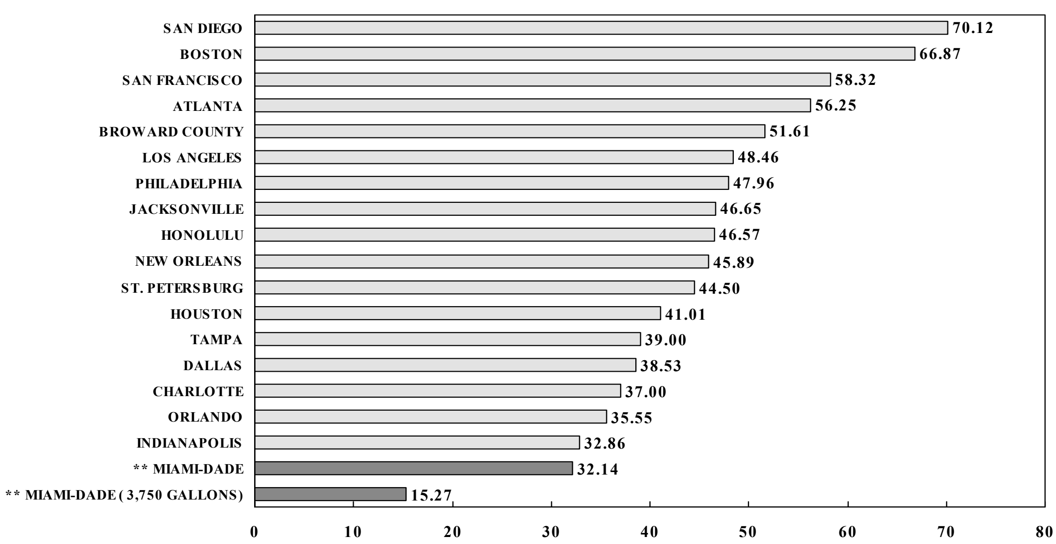
Resources Recovery Plant will occur other than those incorporated in the current year budget. No additional landfill closure obligations are assumed to occur beyond the programmed closure at the South Dade Regional Landfill, Cell Three.

Miami-Dade Water and Sewer Department

On September 17, 2003, the Board of County Commissioners (BCC) approved the Miami-Dade Water and Sewer Department's first retail revenue requirement increase in six years beginning October 1, 2003. The department successfully met the promise of a "five-year no rate increase" which came about as part of the employee participation POWER/Efficiency Program. Retail rates had not increased since October 1, 1996 and in fact were reduced by the BCC by ten percent for the average 7,500-gallon water and wastewater customer in FY 2001-02. Also, the implementation of the revised retail rate structure in FY 2002-03 created a slight rate reduction (2.8%) for the average 7,500-gallon water and wastewater customer. For FY 2003-04, the average overall revenue increase approved by the BCC equates to six percent, resulting in a 6.5 percent rate increase for the average 7,500-gallon water and wastewater customer, an increase of $1.95 per month.

The adjusted fees will help reduce the pressures put upon the department as a result of rising operating costs, debt service for required capital projects, and to satisfy bond coverage requirements for FY 2003-04. However, it is expected that within the scope of this Five-Year Financial Outlook additional revenue or expenditure adjustments may have to be made to guarantee the long-term fiscal stability of the department. These changes may include a re-assessment of the department's equity-return contributions to the Countywide General Fund.

COMBINED WATER AND SEWER BILLS
FLORIDA MUNICIPALITIES AND MAJOR U.S. CITIES
FOR THE AVERAGE RESIDENTIAL CUSTOMER*
EFFECTIVE OCTOBER 1, 2003



* AVERAGE RESIDENTIAL CUSTOMER USING 7,500 GALLONS PER MONTH

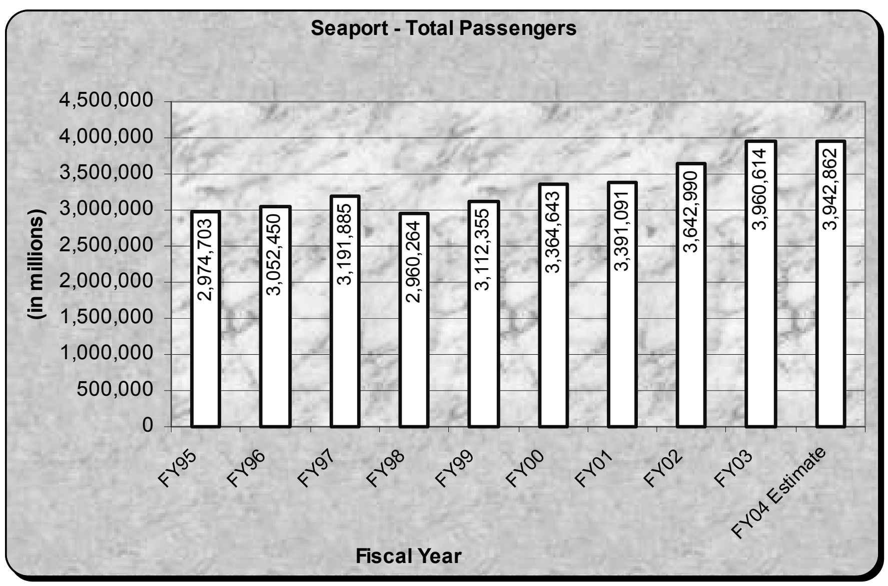
** RATE INCREASE INCLUDES AN INCREASE IN WATER METER CHARGE AND SEWER BASE CHARGE

Revised 09/29/2003

Dante B. Fascell Port of Miami-Dade County

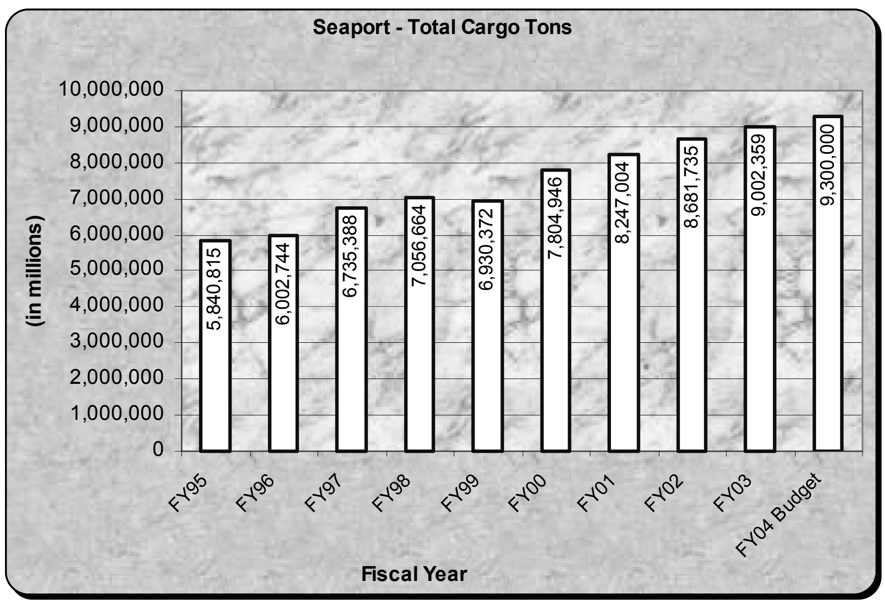
The Cruise Industry

The Dante B. Fascell Port of Miami-Dade County (Port or Seaport) continued to experience growth during the FY 2002-03. Known as the "Cruise Capital of the World", Miami-Dade County and the cruise ship industry have benefited mutually from the Port's geographic proximity to the Caribbean. During FY 2002-03, 22 cruise ships called the Seaport home. Over 3.9 million passengers used the Port and its facilities as these ships made 852 calls. To meet the ongoing technological improvements and the increases in cruise vessel size, the port must grow to accommodate them. During the past year the Port completed construction of two new parking garages and various gangway and loading bridge projects. Two new cruise terminals are under contract and port-wide roadway reconfiguration to segregate cruise and cargo operations are scheduled for completion in 2004.



The Cargo Industry

The Port is ranked within the top five container ports serving the Caribbean and Latin America. During FY 2002-03 the Port's cargo activity included over 2,000 cargo vessels carrying more than 9 million tons of cargo, which equates to over 1 million twenty-foot equivalent units. Serving over 100 countries and 250 ports around the world. To ensure throughput capacity for this growing cargo activity, the Port is expanding and automating the cargo gateway, increasing cargo berthing by adding over 1,000 linear feet, and purchasing new super post panamax container gantry cranes. Other projects include reconfiguration of the Port's roadways to segregate cruise and cargo traffic, ensuring less congestion and safer more secure travel for all customers.



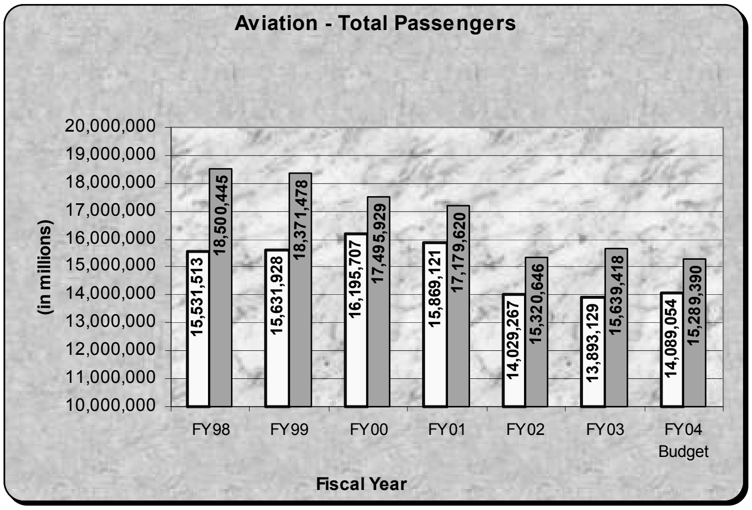
Port Security

In light of the events of September 11th, the Port has embarked upon an aggressive security program. The port industry as a whole is working to determine how to meet the enormous unfunded infrastructure and operating costs related to the security needs mandated of ports across the country. This new unfunded mandate has been incorporated into the Port's 2004 budget while state and federal agency work to determine how to mitigate some of the large new financial burden. The Port has been successful in obtaining over $15 million in federal Transportation Security Administration and Office of Domestic Preparedness grants. Additionally, other state funds have been re-allocated from commerce projects to security as a priority. While this greatly assists the Port in timely funding some of the security enhancements, this money was designated originally for critical Port infrastructure projects to meet projected growth needs and therefore will create new funding challenges for the department in the future.

Miami International Airport

Miami International Airport (MIA) continues to be a worldwide leader among airports. The Airport continues to benefit from its geographical location, especially its proximity to Latin America and the Caribbean. MIA is among the leaders in the United States and international airports in passengers and cargo, ranking among the top ten in many categories. For example, 60 percent of all passenger flights between the United States and South America, 44 percent to Central America, and 23 percent to the Caribbean originate from MIA. Approximately 80,000 passengers use MIA daily for either business, pleasure, or to connect to another flight. MIA has surpassed New York's JFK and Los Angeles' International Airports in international passenger seats available. MIA also handles a great deal of cargo and ranks first in the United States for international freight. It serves nearly 160 cities on four continents with 33 freight operators and processes 76 and 81 percent of all exports and imports between the United States, Latin America and the Caribbean, respectively.

MIA is a major economic catalyst in the community. MIA and its related businesses generate over $18 billion annually in local economic impact and accounts for nearly 20 percent of the County's gross product. Approximately 65 percent of the commercial and industrial developments in west Miami-Dade are directly related to MIA. Approximately 75 percent of the office space south of the Airport within the Blue Lagoon area is occupied by major multinational corporations such as Canon, Hewlett-Packard, Komatsu and Oracle that choose to be close to MIA for their extensive international transportation needs. Major banks and financial institutions have been attracted to Miami by the activities of hundreds of import/export companies, approximately 400 freight forwarders and an excess of 100 flower importers. Approximately 50 international banks currently conduct business in Miami-Dade County.



It is estimated that MIA sustains 200,000 jobs in our community. One of every six local jobs is directly or indirectly related to the aviation industry. In excess of 40,000 people are employed at MIA and approximately 80,000 people work in aviation-related facilities near the Airport. Additionally, for every additional one million passengers who travel to Miami, approximately 1,000 new jobs will be generated at MIA. Consequently, the local community and economy benefit from MIA's growth. Restaurants, hotels, retailers among many other local businesses and the tourism and cruise industries benefited from $18.5 billion in visitor spending in 2002.

Overall passenger and cargo traffic grew modestly from 1996 - 2001 due to increased competition for domestic passengers, capacity constraints, and Latin America's continued economic turbulence.

With the further drastic reductions in passenger traffic after the terrorist attacks of September 11, 2001, MIA cut operating costs to maintain existing airline rates and charges. Passenger activity is expected to recover to FY 1999-00 levels in FY 2005-06 and is expected to reach 39 million annual passengers in FY 2004-05.

MIA has an approved CIP of $4.8 billion to de-congest and expand MIA in a manner that accommodates its hub airlines, and increase its airfield capacity. The CIP has been reviewed and some projects have been considered for deferment given updated passenger forecasts and the current financial situation. It has been determined, however, that projects concerning security and safety, maintenance, environmental remediation, and business systems, along with MIC-MIA Mover, the North Terminal Development, and the South Terminal Program will proceed as planned. The CIP will continue to be an enormous thrust to the local economy. Aviation industry trends have changed over the last several years. The CIP for MIA was modified in 2001 to support these trends, including changes to accommodate the alliance and code share partnering of airlines, passenger trends and new markets, and trends in aircraft type and level of service for commuter aircraft. The department has adjusted the CIP to reflect the revised passenger projections of the department's Traffic Engineer.

Currently, the department's bonds are rated at A1 with negative outlook by Moody's, A- with stable outlook by Standard & Poors, and A- with negative outlook by Fitch Ratings. All of the rating agencies cite MIA's role as the nation's largest international gateway to Latin America as an important strength. While the tragedy of September 11 and the current airline industry condition have negatively affected MIA, it can be expected that MIA will continue to be a strong economic driver of the local economy over the next five years.

Transit Agency

On November 5, 2002, the voters overwhelmingly approved by a 2-to-1 margin the levy of a 0.5 percent County Transit System Surtax for the People's Transportation Plan (PTP). As previously discussed, the need for the PTP involved mitigating traffic congestion and providing matching funds for federal dollars. The PTP includes the creation of a Citizen's Independent Transportation Trust (CITT) to provide input and oversee the overall process.

Within the past year, the PTP's short-term public transit goals have been implemented. Transit service improvements already in place include:

- Several new bus routes
- An expanded Golden Passport program
- Free Metromover service
- Expansion to 24-hour operations of Metrorail, Metromover and Special Transportation Services (STS)
- Eleven additional 24-hour Metrobus routes
- Over 100 new buses now in service

As part of the PTP implementation, the County's Public Works Department has developed a plan that, within the next two years, will fund a variety of projects such as:

<u>Traffic Signals and Signs (TSS) Operations</u>

- Improvement of signal timing
- Repair and install new traffic signs
- Repair traffic signals
- Install new loop detectors
- New pavement markings at intersections

<u>Multiple Neighborhood Improvement Projects</u>

- New bikeways
- Drainage improvements

- Street resurfacings
- Sidewalk enhancements
- School flashers
- Traffic calming devices
- ADA improvements
- Guardrail installation

<u>Major Projects and Neighborhood Site Specific Projects - design and construction</u>

- Drainage and safety improvements
- Additional entrance to Country Walk community
- A feasibility study for a new tunnel underneath the Miami River

Some other improvements that will be completed in two years include:

- Resurfacing of a portion of NW 22nd Avenue
- Street improvements to SW 62nd Avenue
- Reconfiguration of Grand Avenue
- Traffic calming measures on South Miami Avenue
- A new four-lane road on SW 160th Street

Other major multi-year transportation projects included in the PTP include:

<u>Bus Service Improvements</u>

Overall level of bus service for the near term contemplates building on the base of 30.9 million annualized revenue miles by adding:

- 2.1 million miles in 2004
- 3.3 million miles in 2005
- 3.6 million miles in 2006
- 3.7 million in 2007 for a total of 43.4 million miles of revenue service annually

<u>Rapid Transit</u>

Implement four new rail corridors to the existing rapid transit system during the next 20 years including:

- The North Corridor
- The East-West Corridor
- Earlington Heights to MIC
- Light Rail to Miami Beach

Planning to initiate construction of the following corridors in the 2028 range:

- The Northeast Corridor
- MIC/Douglas

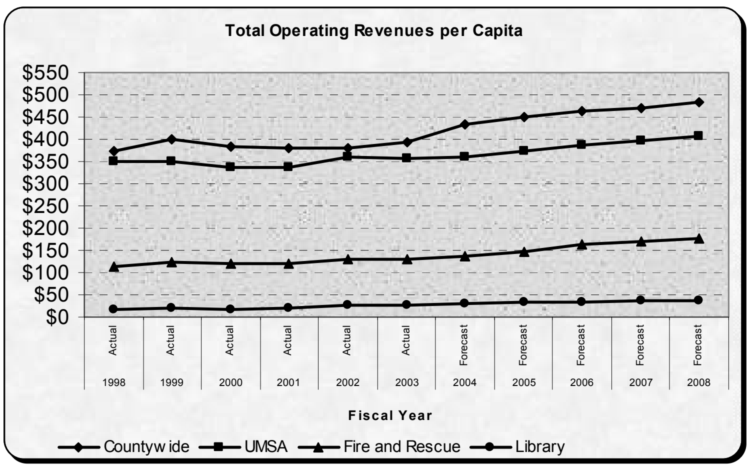
- Metrorail to Florida City

As the PTP program moves forward, adjustments to service and facility plans will be necessary in light of operational and fiscal realities. Such changes will be reviewed by the CITT.

Fiscal Condition Tests

The purpose of this chapter is to evaluate the fiscal condition of the County through a series of indicators that have been used in other jurisdictions. A total of eight indicators have been selected to evaluate the fiscal condition of each of the four taxing jurisdictions. In general, there are no alarming trends identified as a result of this analysis.

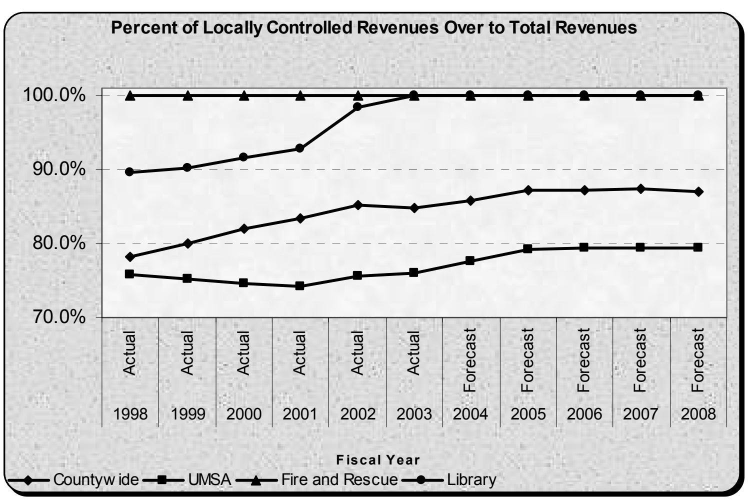
Total Revenue/Total Population



Revenues per capita over the last five years as well as projections for the next six years have been plotted for each of the four taxing jurisdictions.

The operating revenues per capita show a positive trend for all taxing jurisdictions and are forecasted to continue growing over the next five years.

Locally Controlled Revenues

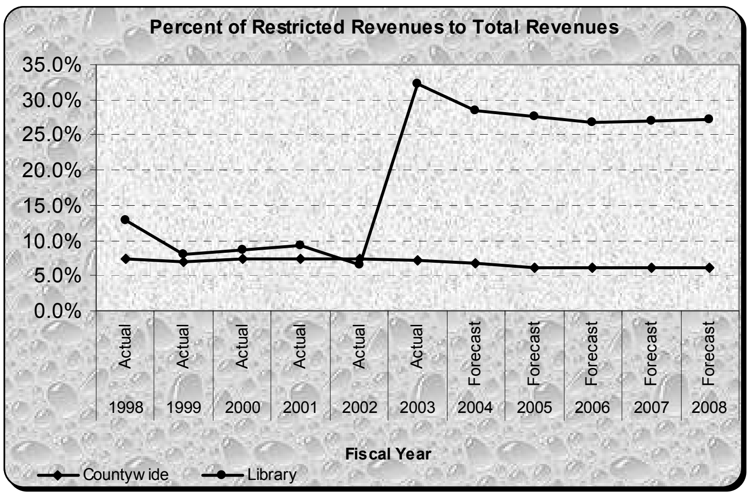


Locally controlled revenues are those over which the local jurisdiction has significant control. Such revenues exclude intergovernmental revenues (revenues received from another governmental entity). Over-dependence on intergovernmental revenues can be harmful. The percent of locally controlled revenues to total revenues over the last five years and projections for the next six years are shown.

The Library System shows an increase in the percentage of locally controlled revenues due to the 0.10 mill increase approved in FY 2001-02 and the subsequent 0.035 mill increase approved in FY 2002-03, while the Countywide and UMSA show no significant change over the forecast five-year period. The Fire and Rescue District revenues are 100 percent from locally controlled revenues.

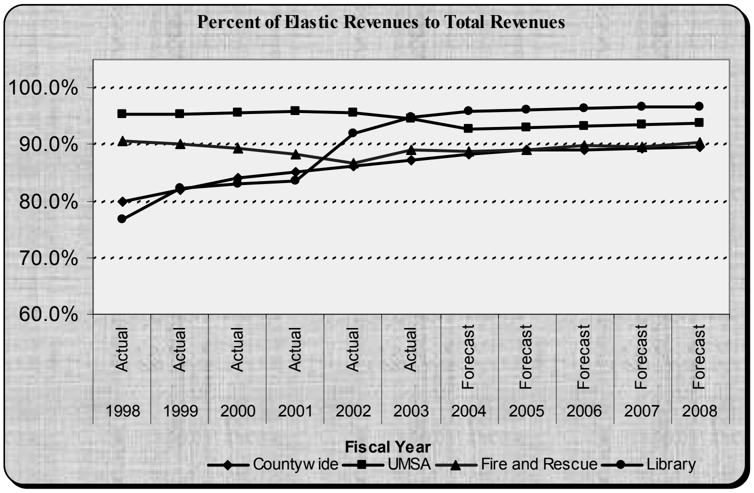
This indicator shows a positive trend since the four taxing jurisdictions reflects relatively small dependency on outside revenue sources.

Restricted Revenues



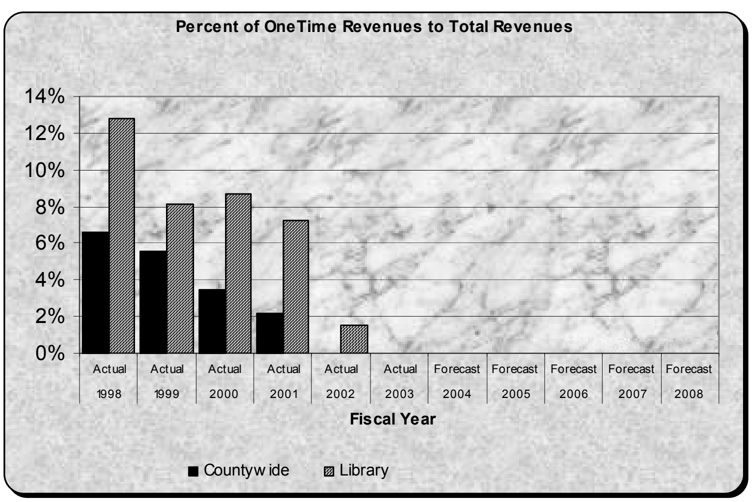
A restricted revenue is legally earmarked for a specific use, as may be required by state law, bond covenants, or grants requirements. A trend of increased dependence on restricted revenues should be viewed as a warning sign. Restricted revenues as a percentage of total revenues over the last five years and projections for the next five years for each of the four taxing jurisdictions have been plotted. Countywide General Fund includes the gasoline taxes (for which growth has been fairly flat over the last five year period) and the Library System includes transfer from the Book Trust Fund that was phased-out in FY 2001-02, and the proceeds from the approved 0.135 mill increase which have been earmarked to pay specific capital and service improvements. There are no restricted revenues in the Fire and Rescue Service District and only a partial restriction on the UMSA's municipal revenue sharing funds derived from the municipal fuel tax collections.

Elastic Tax Revenues



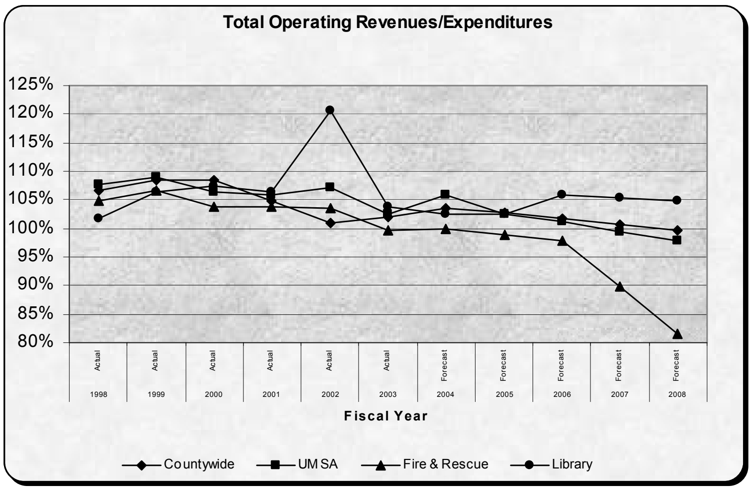
The yields of elastic revenues are highly responsive to changes in the economic base and inflation. As the economic base expands or inflation goes up, elastic revenues rise in roughly proportional or greater amounts, and vice versa. Elastic revenues as a percentage of total revenues over the last six years and projections for the next five years have been plotted. While UMSA, and the Fire and Rescue Service District are holding steady, the Library System shows a significant increase starting in FY 2002 due to the millage increase of 0.135 mill. Countywide shows a significant increase in FY 2003 due to the reduction of debt service paid from sales taxes. These revenues include property taxes, clerk fees, interest proceeds, sales tax revenues, county and municipal revenue sharing, franchise fees, utility taxes, and other revenues.

One-Time/Limited Term Revenues



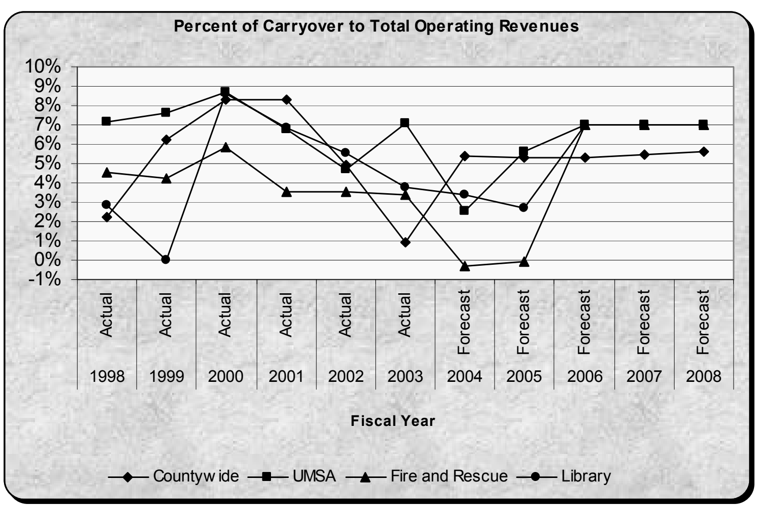
One-time or limited term revenue is one that cannot reasonably be expected to continue over an extended period of time, such as a single purpose federal grant, an interfund transfer, or use of a reserve. Continual use of limited term revenues to balance the annual operating budget can indicate that the revenue base is not strong enough to support the current service levels. One-time/limited term revenues as a percentage of the total revenues over the last five years and projections for the next five years are shown. The Countywide General Fund one-time/limited term revenues have been phased-out. This phase-out is a very positive trend in this area. The Book Trust Fund in the Library System was completely exhausted in FY 2001-02, and has been replaced through a portion of the 0.135 mill increase in the property tax rate, which is not a one-time/limited term revenue generator.

Total Operating Revenues over Total Operating Expenses



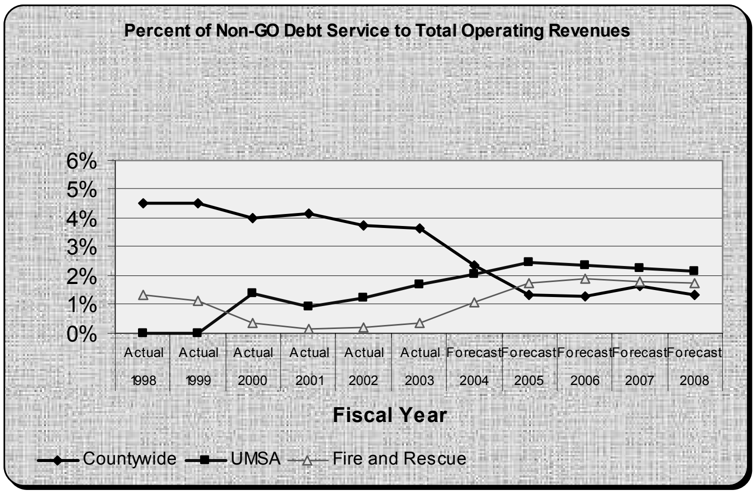
The ratio of total operating revenues to total operating expenses shows the ability to sustain the current level of services at the current tax levels. Historically, all four taxing jurisdictions show ratios over 100 percent. However, the Fire and Rescue Service District will need to take actions such as efficiencies, service cuts and/or revenue enhancements to maintain historical levels. The negative trend shown by the Fire and Rescue Service District is the result of operational funding pressures associated with the construction of thirteen new Fire Rescue stations.

Carryover



Carryover as a percentage of total operating revenues reflects the ability of each of the taxing jurisdictions to maintain a healthy reserve. “Carryover” tracks very closely to the “unreserved fund balance” used in accounting terminology but the two are not exactly the same. Essentially the difference is that carryover reflects a cash position and does not include accruals. Carryover amounts over the past five years have fluctuated, and the events of September 11 and the general economic slowdown, have had an adverse effect on carryover starting in FY 2001-02. The Financial Plan assumes carryover goals of seven percent for the next five years for UMSA, the Miami-Dade Library System and the Miami-Dade Fire and Rescue Service District. For the Countywide Area a carryover fund balance goal of five percent net of the Emergency Contingency Fund is assumed.

Long Term Debt



The percentage of Non-GO debt to total operating revenues measures that portion of operating revenues used towards Non-GO debt payments. This chart shows a reduction in the percentage of revenues allocated for non-general obligation debt service payments in the Countywide General Fund and increases in the UMSA General Fund through FY 2007-08. Increases in the UMSA General Fund are due to new QNIP debt service obligations. Increases in the Miami-Dade Fire and Rescue Service District are the result of new debt service obligations for the financing of equipment and radio infrastructure. There are no non-general obligation bond debt service payments in the Library System.

Financial Outlook

	2003	2004	2005	2006	2007	2008
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
COUNTYWIDE						
Revenues						
Property Tax	$649,781	$741,462	$800,666	$840,892	$883,140	$927,510
Clerk Fees	$55,313	$49,934	$34,434	$35,467	$36,531	$37,627
Gax Tax	$67,163	$68,381	$66,949	$68,823	$70,750	$72,731
Carry-over	$8,319	$17,533	$35,229	$30,092	$18,875	$7,462
Interest	$5,175	$6,330	$6,089	$6,150	$6,212	$6,274
State Revenue Sharing	$31,297	$29,317	$26,451	$28,420	$26,332	$31,592
Limited Term Revenues	$0	$0	$0	$0	$0	$0
Administrative Reimb.	$51,936	$51,973	$52,493	$53,018	$53,548	$54,083
Sales Tax	$42,192	$48,229	$44,944	$47,191	$49,551	$52,029
Other	$13,376	$14,086	$13,817	$14,232	$14,659	$15,099
Total Revenues	$924,552	$1,027,245	$1,081,071	$1,124,285	$1,159,597	$1,204,407
Expenses						
Public Safety	$423,306	$450,389	$425,199	$453,002	$479,483	$505,630
Policy Formulation	$20,079	$24,006	$25,877	$27,580	$29,202	$30,804
Transportation	$121,886	$125,151	$139,951	$145,224	$150,587	$156,087
Culture & Recreation	$37,017	$47,427	$50,921	$54,102	$57,131	$60,123
Neighborhoods and UAM Services	$9,171	$14,883	$18,259	$19,391	$20,468	$21,532
Economic Development	$7,692	$6,900	$7,438	$7,928	$8,394	$8,854
Health & Human Services	$194,335	$212,146	$227,327	$238,939	$249,288	$260,678
Enabling Strategies - Budget and Finance	$43,896	$51,406	$55,412	$59,060	$62,534	$65,965
Enabling Strategies - Government Operations	$49,637	$59,708	$100,596	$100,186	$95,047	$98,057
Sub-total Expenses	$907,019	$992,016	$1,050,980	$1,105,411	$1,152,135	$1,207,730
Carryover Goal for Next Fiscal Year (Net of Emergency Contingency Reserve)		$40,569	$30,092	$18,875	$7,462	($3,323)
Total Expenses	$907,019	$1,032,586	$1,081,071	$1,124,285	$1,159,598	$1,204,407
Revenue/Expense Challenge		-$5,340	$0	$0	$0	$0
Millage Equivalent		0.043	0.000	0.000	0.000	0.000

	2003	2004	2005	2006	2007	2008
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
UMSA						
Revenues						
Property Tax	$115,778	$124,279	$136,026	$142,860	$150,038	$157,576
Utility Tax	$72,209	$74,680	$75,800	$76,937	$78,091	$79,263
Franchise Fees	$33,612	$37,800	$39,690	$41,675	$43,758	$45,946
Communications Tax	$51,681	$60,104	$63,109	$66,265	$69,578	$73,057
Clerk Fees	$7,897	$8,292	$1,503	$1,548	$1,594	$1,642
Carry-over	$29,191	$11,127	$25,184	$32,815	$34,106	$35,456
Interest	$1,540	$3,192	$3,224	$3,256	$3,289	$3,322
State Revenue Sharing	$34,954	$39,900	$41,097	$42,330	$43,600	$44,908
Administrative Reimb.	$10,495	$10,741	$10,848	$10,957	$11,066	$11,177
Sales Tax	$70,622	$61,883	$57,668	$60,552	$63,579	$66,758
Occupational License	$3,869	$4,089	$4,130	$4,171	$4,213	$4,255
Other	$9,585	$17,877	$18,056	$18,237	$18,419	$18,603
Total Revenues	$441,433	$453,964	$476,336	$501,602	$521,331	$541,962
Policy Formulation	$11,740	$13,784	$14,858	$15,836	$16,768	$17,687
Public Safety	$310,114	$331,206	$357,017	$380,520	$402,904	$425,007
Transportation	$4,399	$275	$297	$316	$335	$353
Culture and Recreation	$34,626	$26,247	$28,293	$30,155	$31,929	$33,680
Neighborhood and UAM Services	$12,735	$14,655	$16,365	$17,442	$18,468	$19,481
Health and Human Services	$640	$50	$54	$57	$61	$64
Economic Development	$980	$860	$927	$988	$1,046	$1,104
Enabling Strategies - Budget and Finance	$19,074	$9,343	$10,072	$10,735	$11,366	$11,990
Enabling Strategies - Government Operations	$35,998	$32,359	$37,381	$39,842	$42,186	$44,500
Sub-total Expenses	$430,306	$428,780	$465,262	$495,891	$525,062	$553,866
Carryover Goal for Next Fiscal Year		$31,581	$32,815	$34,106	$35,455	$35,800
Total Expenses	$430,306	$460,361	$498,077	$529,996	$560,517	$589,666
Revenue/Expense Challenge		-$6,396	-$21,742	-$28,394	-$39,186	-$47,703
Millage Equivalent		0.127	0.391	0.486	0.639	0.741

	2003 Actual	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast	2008 Forecast
FIRE & RESCUE DISTRICT						
Revenues						
Property Tax	$177,154	$197,191	$215,828	$226,672	$238,060	$250,021
Transport Fees	$11,109	$13,545	$13,816	$14,092	$14,374	$14,662
Interest	$824	$1,050	$1,069	$1,088	$1,108	$1,128
Intervened Transfer	$3,811	$3,920	$4,236	$4,537	$4,821	$5,104
Other Miscellaneous	$8,126	$7,687	$8,306	$8,896	$10,733	$9,387
Carry-over	$6,828	-$673	-$159	$17,870	$18,837	$19,613
Total Revenues	$207,852	$222,720	$243,096	$273,155	$287,933	$299,914
Expenses						
Base Expenses	$208,525	$222,879	$245,602	$279,353	$320,311	$368,237
Sub-total Expenses	$208,525	$222,879	$245,602	$279,353	$320,311	$368,237
Carryover Goal for Next Fiscal Year		$17,028	$17,870	$18,837	$19,621	$19,097
Total Expenses	$208,525	$239,907	$263,472	$298,189	$339,933	$387,334
Revenue/Expense Challenge		-$17,187	-$20,375	-$25,034	-$52,000	-$87,420
Millage Equivalent		0.226	0.244	0.285	0.564	0.903

	2003	2004	2005	2006	2007	2008
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
LIBRARY SYSTEM						
Revenues						
Property Tax	$48,146	$54,235	$59,361	$62,343	$65,476	$68,765
Book Trust	$0	$0	$0	$0	$0	$0
State Aid	$2,937	$2,500	$2,525	$2,550	$2,576	$2,602
Carry-over	$2,022	$2,000	$1,714	$4,673	$4,898	$5,134
Other	$2,385	$1,752	$1,805	$1,859	$1,914	$1,972
Total Revenues	$55,490	$60,487	$65,405	$71,425	$74,864	$78,473
Sub-total Expenses	$53,489	$58,987	$63,763	$67,447	$71,101	$74,779
Transfer to Service and Capital Improvement Fund (Included in subtotal expense)	$14,992	$14,666	$15,582	$16,556	$17,591	$18,690
Carryover Goal for Next Fiscal Year		$4,458	$4,673	$4,898	$5,134	$4,921
Total Expenses	$53,489	$63,445	$68,435	$72,344	$76,234	$79,700
Revenue/Expense Challenge		-$2,958	-$3,031	-$919	-$1,370	-$1,227
Millage Equivalent		0.027	0.025	0.007	0.010	0.009